

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO DRAFT DR-CA-US FREE TRADE AGREE-
MENT IMPLEMENTATION BILL
OFFERED BY MR. THOMAS OF CALIFORNIA**

Strike all after the enacting clause and insert the following:

SECTION. 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Dominican Republic-Central America-United States Free Trade Agreement Implementation Act”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

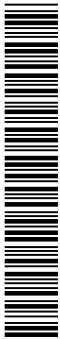
- Sec. 1. Short title; table of contents.
- Sec. 2. Purposes.
- Sec. 3. Definitions.

**TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING
TO, THE AGREEMENT**

- Sec. 101. Approval and entry into force of the Agreement.
- Sec. 102. Relationship of the Agreement to United States and State law.
- Sec. 103. Implementing actions in anticipation of entry into force and initial regulations.
- Sec. 104. Consultation and layover provisions for, and effective date of, proclaimed actions.
- Sec. 105. Administration of dispute settlement proceedings.
- Sec. 106. Arbitration of claims.
- Sec. 107. Effective dates; effect of termination.

TITLE II—CUSTOMS PROVISIONS

- Sec. 201. Tariff modifications.
- Sec. 202. Additional duties on certain agricultural goods.
- Sec. 203. Rules of origin.
- Sec. 204. Customs user fees.



2

- Sec. 205. Retroactive application for certain liquidations and reliquidations of textile or apparel goods.
- Sec. 206. Disclosure of incorrect information; false certifications of origin; denial of preferential tariff treatment.
- Sec. 207. Reliquidation of entries.
- Sec. 208. Recordkeeping requirements.
- Sec. 209. Enforcement relating to trade in textile or apparel goods.
- Sec. 210. Regulations.

TITLE III—RELIEF FROM IMPORTS

- Sec. 301. Definitions.

Subtitle A—Relief From Imports Benefiting From the Agreement

- Sec. 311. Commencing of action for relief.
- Sec. 312. Commission action on petition.
- Sec. 313. Provision of relief.
- Sec. 314. Termination of relief authority.
- Sec. 315. Compensation authority.
- Sec. 316. Confidential business information.

Subtitle B—Textile and Apparel Safeguard Measures

- Sec. 321. Commencement of action for relief.
- Sec. 322. Determination and provision of relief.
- Sec. 323. Period of relief.
- Sec. 324. Articles exempt from relief.
- Sec. 325. Rate after termination of import relief.
- Sec. 326. Termination of relief authority.
- Sec. 327. Compensation authority.
- Sec. 328. Confidential business information.

Subtitle C—Cases Under Title II of the Trade Act of 1974

- Sec. 331. Findings and action on goods of CAFTA–DR countries.

TITLE IV—MISCELLANEOUS

- Sec. 401. Eligible products.
- Sec. 402. Modifications to the Caribbean Basin Economic Recovery Act.
- Sec. 403. Periodic reports and meetings on labor obligations and labor capacity-building provisions.
- Sec. 404. Impact on trade in services.

1 **SEC. 2. PURPOSES.**

2 The purposes of this Act are—

- 3 (1) to approve and implement the Free Trade
- 4 Agreement between the United States, Costa Rica,
- 5 the Dominican Republic, El Salvador, Guatemala,
- 6 Honduras, and Nicaragua entered into under the au-



1 thority of section 2103(b) of the Bipartisan Trade
2 Promotion Authority Act of 2002 (19 U.S.C.
3 3803(b));

4 (2) to strengthen and develop economic rela-
5 tions between the United States, Costa Rica, the
6 Dominican Republic, El Salvador, Guatemala, Hon-
7 duras, and Nicaragua for their mutual benefit;

8 (3) to establish free trade between the United
9 States, Costa Rica, the Dominican Republic, El Sal-
10 vador, Guatemala, Honduras, and Nicaragua
11 through the reduction and elimination of barriers to
12 trade in goods and services and to investment; and

13 (4) to lay the foundation for further coopera-
14 tion to expand and enhance the benefits of the
15 Agreement.

16 **SEC. 3. DEFINITIONS.**

17 In this Act:

18 (1) AGREEMENT.—The term “Agreement”
19 means the Dominican Republic-Central America-
20 United States Free Trade Agreement approved by
21 the Congress under section 101(a)(1).

22 (2) CAFTA–DR COUNTRY.—Except as pro-
23 vided in section 203, the term “CAFTA–DR coun-
24 try” means—



1 (A) Costa Rica, for such time as the
2 Agreement is in force between the United
3 States and Costa Rica;

4 (B) the Dominican Republic, for such time
5 as the Agreement is in force between the
6 United States and the Dominican Republic;

7 (C) El Salvador, for such time as the
8 Agreement is in force between the United
9 States and El Salvador;

10 (D) Guatemala, for such time as the
11 Agreement is in force between the United
12 States and Guatemala;

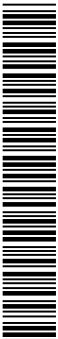
13 (E) Honduras, for such time as the Agree-
14 ment is in force between the United States and
15 Honduras; and

16 (F) Nicaragua, for such time as the Agree-
17 ment is in force between the United States and
18 Nicaragua.

19 (3) COMMISSION.—The term “Commission”
20 means the United States International Trade Com-
21 mission.

22 (4) HTS.—The term “HTS” means the Har-
23 monized Tariff Schedule of the United States.

24 (5) TEXTILE OR APPAREL GOOD.—The term
25 “textile or apparel good” means a good listed in the



1 Annex to the Agreement on Textiles and Clothing
2 referred to in section 101(d)(4) of the Uruguay
3 Round Agreements Act (19 U.S.C. 3511(d)(4)),
4 other than a good listed in Annex 3.29 of the Agree-
5 ment.

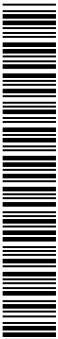
6 **TITLE I—APPROVAL OF, AND**
7 **GENERAL PROVISIONS RE-**
8 **LATING TO, THE AGREEMENT**

9 **SEC. 101. APPROVAL AND ENTRY INTO FORCE OF THE**
10 **AGREEMENT.**

11 (a) APPROVAL OF AGREEMENT AND STATEMENT OF
12 ADMINISTRATIVE ACTION.—Pursuant to section 2105 of
13 the Bipartisan Trade Promotion Authority Act of 2002
14 (19 U.S.C. 3805) and section 151 of the Trade Act of
15 1974 (19 U.S.C. 2191), the Congress approves—

16 (1) the Dominican Republic-Central America-
17 United States Free Trade Agreement entered into
18 on August 5, 2004, with the Governments of Costa
19 Rica, the Dominican Republic, El Salvador, Guate-
20 mala, Honduras, and Nicaragua, and submitted to
21 the Congress on [____, 2005]; and

22 (2) the statement of administrative action pro-
23 posed to implement the Agreement that was sub-
24 mitted to the Congress on [____, 2005].



1 (b) CONDITIONS FOR ENTRY INTO FORCE OF THE
2 AGREEMENT.—At such time as the President determines
3 that other countries that have signed the Agreement have
4 taken measures necessary to comply with those provisions
5 of the Agreement that are to take effect on the date on
6 which the Agreement enters into force, the President is
7 authorized to provide for the Agreement to enter into force
8 with respect to those countries that provide for the Agree-
9 ment to enter into force for them.

10 **SEC. 102. RELATIONSHIP OF THE AGREEMENT TO UNITED**
11 **STATES AND STATE LAW.**

12 (a) RELATIONSHIP OF AGREEMENT TO UNITED
13 STATES LAW.—

14 (1) UNITED STATES LAW TO PREVAIL IN CON-
15 Flict.—No provision of the Agreement, nor the ap-
16 plication of any such provision to any person or cir-
17 cumstance, which is inconsistent with any law of the
18 United States shall have effect.

19 (2) CONSTRUCTION.—Nothing in this Act shall
20 be construed—

21 (A) to amend or modify any law of the
22 United States, or

23 (B) to limit any authority conferred under
24 any law of the United States,
25 unless specifically provided for in this Act.



1 (b) RELATIONSHIP OF AGREEMENT TO STATE
2 LAW.—

3 (1) LEGAL CHALLENGE.—No State law, or the
4 application thereof, may be declared invalid as to
5 any person or circumstance on the ground that the
6 provision or application is inconsistent with the
7 Agreement, except in an action brought by the
8 United States for the purpose of declaring such law
9 or application invalid.

10 (2) DEFINITION OF STATE LAW.—For purposes
11 of this subsection, the term “State law” includes—

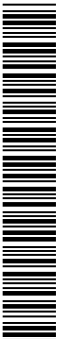
12 (A) any law of a political subdivision of a
13 State; and

14 (B) any State law regulating or taxing the
15 business of insurance.

16 (c) EFFECT OF AGREEMENT WITH RESPECT TO PRI-
17 VATE REMEDIES.—No person other than the United
18 States—

19 (1) shall have any cause of action or defense
20 under the Agreement or by virtue of congressional
21 approval thereof; or

22 (2) may challenge, in any action brought under
23 any provision of law, any action or inaction by any
24 department, agency, or other instrumentality of the
25 United States, any State, or any political subdivision



1 of a State, on the ground that such action or inac-
2 tion is inconsistent with the Agreement.

3 **SEC. 103. IMPLEMENTING ACTIONS IN ANTICIPATION OF**
4 **ENTRY INTO FORCE AND INITIAL REGULA-**
5 **TIONS.**

6 (a) IMPLEMENTING ACTIONS.—

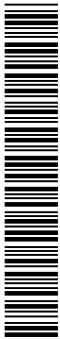
7 (1) PROCLAMATION AUTHORITY.—After the
8 date of the enactment of this Act—

9 (A) the President may proclaim such ac-
10 tions, and

11 (B) other appropriate officers of the
12 United States Government may issue such reg-
13 ulations,

14 as may be necessary to ensure that any provision of
15 this Act, or amendment made by this Act, that takes
16 effect on the date the Agreement enters into force
17 is appropriately implemented on such date, but no
18 such proclamation or regulation may have an effec-
19 tive date earlier than the date the Agreement enters
20 into force.

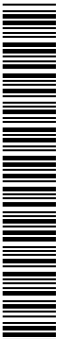
21 (2) EFFECTIVE DATE OF CERTAIN PROCLAIMED
22 ACTIONS.—Any action proclaimed by the President
23 under the authority of this Act that is not subject
24 to the consultation and layover provisions under sec-
25 tion 104 may not take effect before the 15th day



1 after the date on which the text of the proclamation
2 is published in the Federal Register.

3 (3) WAIVER OF 15-DAY RESTRICTION.—The 15-
4 day restriction contained in paragraph (2) on the
5 taking effect of proclaimed actions is waived to the
6 extent that the application of such restriction would
7 prevent the taking effect on the date the Agreement
8 enters into force of any action proclaimed under this
9 section.

10 (b) INITIAL REGULATIONS.—Initial regulations nec-
11 essary or appropriate to carry out the actions required by
12 or authorized under this Act or proposed in the statement
13 of administrative action submitted under section
14 101(a)(2) to implement the Agreement shall, to the max-
15 imum extent feasible, be issued within 1 year after the
16 date on which the Agreement enters into force. In the case
17 of any implementing action that takes effect on a date
18 after the date on which the Agreement enters into force,
19 initial regulations to carry out that action shall, to the
20 maximum extent feasible, be issued within 1 year after
21 such effective date.



1 **SEC. 104. CONSULTATION AND LAYOVER PROVISIONS FOR,**
2 **AND EFFECTIVE DATE OF, PROCLAIMED AC-**
3 **TIONS.**

4 If a provision of this Act provides that the implemen-
5 tation of an action by the President by proclamation is
6 subject to the consultation and layover requirements of
7 this section, such action may be proclaimed only if—

8 (1) the President has obtained advice regarding
9 the proposed action from—

10 (A) the appropriate advisory committees
11 established under section 135 of the Trade Act
12 of 1974 (19 U.S.C. 2155); and

13 (B) the Commission;

14 (2) the President has submitted to the Com-
15 mittee on Finance of the Senate and the Committee
16 on Ways and Means of the House of Representatives
17 a report that sets forth—

18 (A) the action proposed to be proclaimed
19 and the reasons therefor; and

20 (B) the advice obtained under paragraph
21 (1);

22 (3) a period of 60 calendar days, beginning on
23 the first day on which the requirements set forth in
24 paragraphs (1) and (2) have been met has expired;
25 and



1 (4) the President has consulted with such Com-
2 mittees regarding the proposed action during the pe-
3 riod referred to in paragraph (3).

4 **SEC. 105. ADMINISTRATION OF DISPUTE SETTLEMENT PRO-**
5 **CEEDINGS.**

6 (a) ESTABLISHMENT OR DESIGNATION OF OFFICE.—
7 The President is authorized to establish or designate with-
8 in the Department of Commerce an office that shall be
9 responsible for providing administrative assistance to pan-
10 els established under chapter 20 of the Agreement. The
11 office may not be considered to be an agency for purposes
12 of section 552 of title 5, United States Code.

13 (b) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated for each fiscal year after
15 fiscal year **【2005】** to the Department of Commerce such
16 sums as may be necessary for the establishment and oper-
17 ations of the office established or designated under sub-
18 section (a) and for the payment of the United States share
19 of the expenses of panels established under chapter 20 of
20 the Agreement.

21 **SEC. 106. ARBITRATION OF CLAIMS.**

22 The United States is authorized to resolve any claim
23 against the United States covered by article
24 10.16.1(a)(i)(C) or article 10.16.1(b)(i)(C) of the Agree-
25 ment, pursuant to the Investor-State Dispute Settlement



1 procedures set forth in section B of chapter 10 of the
2 Agreement.

3 **SEC. 107. EFFECTIVE DATES; EFFECT OF TERMINATION.**

4 (a) EFFECTIVE DATES.—Except as provided in sub-
5 section (b), the provisions of this Act and the amendments
6 made by this Act take effect on the date the Agreement
7 enters into force.

8 (b) EXCEPTIONS.—Sections 1 through 3 and this
9 title take effect on the date of the enactment of this Act.

10 (c) TERMINATION OF CAFTA–DR STATUS.—During
11 any period in which a country ceases to be a CAFTA–
12 DR country, the provisions of this Act (other than this
13 subsection) and the amendments made by this Act shall
14 cease to have effect with respect to that country.

15 (d) TERMINATION OF THE AGREEMENT.—On the
16 date on which the Agreement ceases to be in force with
17 respect to the United States, the provisions of this Act
18 (other than this subsection) and the amendments made
19 by this Act shall cease to have effect.

20 **TITLE II—CUSTOMS PROVISIONS**

21 **SEC. 201. TARIFF MODIFICATIONS.**

22 (a) TARIFF MODIFICATIONS PROVIDED FOR IN THE
23 AGREEMENT.—

24 (1) PROCLAMATION AUTHORITY.—The Presi-
25 dent may proclaim—



1 (A) such modifications or continuation of
2 any duty,

3 (B) such continuation of duty-free or ex-
4 cise treatment, or

5 (C) such additional duties,

6 as the President determines to be necessary or ap-
7 propriate to carry out or apply articles 3.3, 3.5, 3.6,
8 3.21, 3.26, 3.27, and 3.28, and Annexes 3.3, 3.27,
9 and 3.28 of the Agreement.

10 (2) EFFECT ON GSP STATUS.—Notwithstanding
11 section 502(a)(1) of the Trade Act of 1974 (19
12 U.S.C. 2462(a)(1)), the President shall terminate
13 the designation of each CAFTA–DR country as a
14 beneficiary developing country for purposes of title V
15 of the Trade Act of 1974 on the date the Agreement
16 enters into force with respect to that country.

17 (3) EFFECT ON CBERA STATUS.—

18 (A) IN GENERAL.—Notwithstanding sec-
19 tion 212(a) of the Caribbean Basin Economic
20 Recovery Act (19 U.S.C. 2702(a)), the Presi-
21 dent shall terminate the designation of each
22 CAFTA–DR country as a beneficiary country
23 for purposes of that Act on the date the Agree-
24 ment enters into force with respect to that
25 country.



1 (B) EXCEPTION.—Notwithstanding sub-
2 paragraph (A), each such country shall be con-
3 sidered a beneficiary country under section
4 212(a) of the Caribbean Basin Economic Re-
5 covery Act, for purposes of—

6 (i) sections 771(7)(G)(ii)(III) and
7 771(7)(H) of the Tariff Act of 1930 (19
8 U.S.C. 1677(7)(G)(ii)(III) and
9 1677(7)(H));

10 (ii) the duty-free treatment provided
11 under paragraph 12 of Appendix I of the
12 General Notes to the Schedule of the
13 United States to Annex 3.3 of the Agree-
14 ment; and

15 (iii) section 274(h)(6)(B) of the Inter-
16 nal Revenue Code of 1986.

17 (b) OTHER TARIFF MODIFICATIONS.—Subject to the
18 consultation and layover provisions of section 104, the
19 President may proclaim—

20 (1) such modifications or continuation of any
21 duty,

22 (2) such modifications as the United States
23 may agree to with a CAFTA–DR country regarding
24 the staging of any duty treatment set forth in Annex
25 3.3 of the Agreement,



1 (3) such continuation of duty-free or excise
2 treatment, or

3 (4) such additional duties,
4 as the President determines to be necessary or appropriate
5 to maintain the general level of reciprocal and mutually
6 advantageous concessions provided for by the Agreement.

7 (c) CONVERSION TO AD VALOREM RATES.—For pur-
8 poses of subsections (a) and (b), with respect to any good
9 for which the base rate in the Schedule of the United
10 States to Annex 3.3 of the Agreement is a specific or com-
11 pound rate of duty, the President may substitute for the
12 base rate an ad valorem rate that the President deter-
13 mines to be equivalent to the base rate.

14 **SEC. 202. ADDITIONAL DUTIES ON CERTAIN AGRICUL-**
15 **TURAL GOODS.**

16 (a) GENERAL PROVISIONS.—

17 (1) APPLICABILITY OF SUBSECTION.—This sub-
18 section applies to additional duties assessed under
19 subsection (b).

20 (2) APPLICABLE NTR (MFN) RATE OF DUTY.—
21 For purposes of subsection (b), the term “applicable
22 NTR (MFN) rate of duty” means, with respect to
23 a safeguard good, a rate of duty that is the lesser
24 of—



1 (A) the column 1 general rate of duty that
2 would, at the time the additional duty is im-
3 posed under subsection (b), apply to a good
4 classifiable in the same 8-digit subheading of
5 the HTS as the safeguard good; or

6 (B) the column 1 general rate of duty that
7 would, on the day before the date on which the
8 Agreement enters into force, apply to a good
9 classifiable in the same 8-digit subheading of
10 the HTS as the safeguard good.

11 (3) SCHEDULE RATE OF DUTY.—For purposes
12 of subsection (b), the term “schedule rate of duty”
13 means, with respect to a safeguard good, the rate of
14 duty for that good that is set out in the Schedule
15 of the United States to Annex 3.3 of the Agreement.

16 (4) SAFEGUARD GOOD.—In this section, the
17 term “safeguard good” means a good—

18 (A) that is included in the Schedule of the
19 United States to Annex 3.15 of the Agreement;

20 (B) that qualifies as an originating good
21 under section 203, except that operations per-
22 formed in or material obtained from the United
23 States shall be considered as if the operations
24 were performed in, and the material was ob-



1 tained from, a country that is not a party to
2 the Agreement; and

3 (C) for which a claim for preferential tariff
4 treatment under the Agreement has been made.

5 (5) EXCEPTIONS.—No additional duty shall be
6 assessed on a good under subsection (b) if, at the
7 time of entry, the good is subject to import relief
8 under—

9 (A) subtitle A of title III of this Act; or

10 (B) chapter 1 of title II of the Trade Act
11 of 1974 (19 U.S.C. 2251 et seq.).

12 (6) TERMINATION.—The assessment of an ad-
13 ditional duty on a good under subsection (b) shall
14 cease to apply to that good on the date on which
15 duty-free treatment must be provided to that good
16 under the Schedule of the United States to Annex
17 3.3 of the Agreement.

18 (7) NOTICE.—Not later than 60 days after the
19 Secretary of the Treasury first assesses an addi-
20 tional duty in a calendar year on a good under sub-
21 section (b), the Secretary shall notify the country
22 whose good is subject to the additional duty in writ-
23 ing of such action and shall provide to that country
24 data supporting the assessment of the additional
25 duty.



1 (b) ADDITIONAL DUTIES ON SAFEGUARD GOODS.—

2 (1) IN GENERAL.—In addition to any duty pro-
3 claimed under subsection (a) or (b) of section 201,
4 and subject to subsection (a), the Secretary of the
5 Treasury shall assess a duty, in the amount deter-
6 mined under paragraph (2), on a safeguard good of
7 a CAFTA–DR country imported into the United
8 States in a calendar year if the Secretary determines
9 that, prior to such importation, the total volume of
10 that safeguard good of such country that is imported
11 into the United States in that calendar year exceeds
12 130 percent of the volume that is set out for that
13 safeguard good in the corresponding year in the
14 table for that country contained in Appendix I of the
15 General Notes to the Schedule of the United States
16 to Annex 3.3 of the Agreement. For purposes of this
17 subsection, year 1 in that table corresponds to the
18 calendar year in which the Agreement enters into
19 force.

20 (2) CALCULATION OF ADDITIONAL DUTY.—The
21 additional duty on a safeguard good under this sub-
22 section shall be—

23 (A) in the case of a good classified under
24 subheading 1202.10.80, 1202.20.80,



1 2008.11.15, 2008.11.35, or 2008.11.60 of the
2 HTS—

3 (i) in years 1 through 5, an amount
4 equal to 100 percent of the excess of the
5 applicable NTR (MFN) rate of duty over
6 the schedule rate of duty;

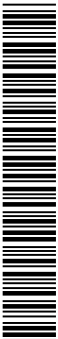
7 (ii) in years 6 through 10, an amount
8 equal to 75 percent of the excess of the ap-
9 plicable NTR (MFN) rate of duty over the
10 schedule rate of duty; and

11 (iii) in years 11 through 14, an
12 amount equal to 50 percent of the excess
13 of the applicable NTR (MFN) rate of duty
14 over the schedule rate of duty; and

15 (B) in the case of any other safeguard
16 good—

17 (i) in years 1 through 14, an amount
18 equal to 100 percent of the excess of the
19 applicable NTR (MFN) rate of duty over
20 the schedule rate of duty;

21 (ii) in years 15 through 17, an
22 amount equal to 75 percent of the excess
23 of the applicable NTR (MFN) rate of duty
24 over the schedule rate of duty; and



1 (iii) in years 18 and 19, an amount
2 equal to 50 percent of the excess of the ap-
3 plicable NTR (MFN) rate of duty over the
4 schedule rate of duty.

5 **SEC. 203. RULES OF ORIGIN.**

6 (a) APPLICATION AND INTERPRETATION.—In this
7 section:

8 (1) TARIFF CLASSIFICATION.—The basis for
9 any tariff classification is the HTS.

10 (2) REFERENCE TO HTS.—Whenever in this
11 section there is a reference to a chapter, heading, or
12 subheading, such reference shall be a reference to a
13 chapter, heading, or subheading of the HTS.

14 (3) COST OR VALUE.—Any cost or value re-
15 ferred to in this section shall be recorded and main-
16 tained in accordance with the generally accepted ac-
17 counting principles applicable in the territory of the
18 country in which the good is produced (whether the
19 United States or another CAFTA–DR country).

20 (b) ORIGINATING GOODS.—For purposes of this Act
21 and for purposes of implementing the preferential tariff
22 treatment provided for under the Agreement, except as
23 otherwise provided in this section, a good is an originating
24 good if—



1 (1) the good is a good wholly obtained or pro-
2 duced entirely in the territory of one or more of the
3 CAFTA–DR countries;

4 (2) the good—

5 (A) is produced entirely in the territory of
6 one or more of the CAFTA–DR countries,
7 and—

8 (i) each of the nonoriginating mate-
9 rials used in the production of the good
10 undergoes an applicable change in tariff
11 classification specified in Annex 4.1 of the
12 Agreement; or

13 (ii) the good otherwise satisfies any
14 applicable regional value-content or other
15 requirements specified in Annex 4.1 of the
16 Agreement; and

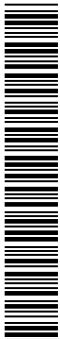
17 (B) satisfies all other applicable require-
18 ments of this section; or

19 (3) the good is produced entirely in the terri-
20 tory of one or more of the CAFTA–DR countries,
21 exclusively from materials described in paragraph
22 (1) or (2).

23 (c) REGIONAL VALUE-CONTENT.—

24 (1) IN GENERAL.—For purposes of subsection

25 (b)(2), the regional value-content of a good referred



1 to in Annex 4.1 of the Agreement, except for goods
2 to which paragraph (4) applies, shall be calculated
3 by the importer, exporter, or producer of the good,
4 on the basis of the build-down method described in
5 paragraph (2) or the build-up method described in
6 paragraph (3).

7 (2) BUILD-DOWN METHOD.—

8 (A) IN GENERAL.—The regional value-con-
9 tent of a good may be calculated on the basis
10 of the following build-down method:

$$\text{RVC} = \frac{\text{AV}-\text{VNM}}{\text{AV}} \times 100$$

11 (B) DEFINITIONS.—In subparagraph (A):

12 (i) RVC.—The term “RVC” means
13 the regional value-content of the good, ex-
14 pressed as a percentage.

15 (ii) AV.—The term “AV” means the
16 adjusted value of the good.

17 (iii) VNM.—The term “VNM” means
18 the value of nonoriginating materials that
19 are acquired and used by the producer in
20 the production of the good, but does not
21 include the value of a material that is self-
22 produced.

23 (3) BUILD-UP METHOD.—



1 (A) IN GENERAL.—The regional value-con-
 2 tent of a good may be calculated on the basis
 3 of the following build-up method:

$$\text{RVC} = \frac{\text{VOM}}{\text{AV}} \times 100$$

4 (B) DEFINITIONS.—In subparagraph (A):

5 (i) RVC.—The term “RVC” means
 6 the regional value-content of the good, ex-
 7 pressed as a percentage.

8 (ii) AV.—The term “AV” means the
 9 adjusted value of the good.

10 (iii) VOM.—The term “VOM” means
 11 the value of originating materials that are
 12 acquired or self-produced, and used by the
 13 producer in the production of the good.

14 (4) SPECIAL RULE FOR CERTAIN AUTOMOTIVE
 15 GOODS.—

16 (A) IN GENERAL.—For purposes of sub-
 17 section (b)(2), the regional value-content of an
 18 automotive good referred to in Annex 4.1 of the
 19 Agreement may be calculated by the importer,
 20 exporter, or producer of the good, on the basis
 21 of the following net cost method:

$$\text{RVC} = \frac{\text{NC-VNM}}{\text{NC}} \times 100$$

22 (B) DEFINITIONS.—In subparagraph (A):



1 (i) AUTOMOTIVE GOOD.—The term
2 “automotive good” means a good provided
3 for in any of subheadings 8407.31 through
4 8407.34, subheading 8408.20, heading
5 8409, or in any of headings 8701 through
6 8708.

7 (ii) RVC.—The term “RVC” means
8 the regional value-content of the auto-
9 motive good, expressed as a percentage.

10 (iii) NC.—The term “NC” means the
11 net cost of the automotive good.

12 (iv) VNM.—The term “VNM” means
13 the value of nonoriginating materials that
14 are acquired and used by the producer in
15 the production of the automotive good, but
16 does not include the value of a material
17 that is self-produced.

18 (C) MOTOR VEHICLES.—

19 (i) BASIS OF CALCULATION.—For
20 purposes of determining the regional value-
21 content under subparagraph (A) for an
22 automotive good that is a motor vehicle
23 provided for in any of headings 8701
24 through 8705, an importer, exporter, or
25 producer may average the amounts cal-



1 culated under the formula contained in
2 subparagraph (A), over the producer's fis-
3 cal year—

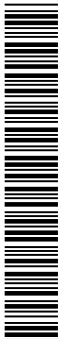
4 (I) with respect to all motor vehi-
5 cles in any 1 of the categories de-
6 scribed in clause (ii); or

7 (II) with respect to all motor ve-
8 hicles in any such category that are
9 exported to the territory of one or
10 more of the CAFTA–DR countries.

11 (ii) CATEGORIES.—A category is de-
12 scribed in this clause if it—

13 (I) is the same model line of
14 motor vehicles, is in the same class of
15 vehicles, and is produced in the same
16 plant in the territory of a CAFTA–
17 DR country, as the good described in
18 clause (i) for which regional value-
19 content is being calculated;

20 (II) is the same class of motor
21 vehicles, and is produced in the same
22 plant in the territory of a CAFTA–
23 DR country, as the good described in
24 clause (i) for which regional value-
25 content is being calculated; or



1 (III) is the same model line of
2 motor vehicles produced in the terri-
3 tory of a CAFTA-DR country as the
4 good described in clause (i) for which
5 regional value-content is being cal-
6 culated.

7 (D) OTHER AUTOMOTIVE GOODS.—For
8 purposes of determining the regional value-con-
9 tent under subparagraph (A) for automotive
10 goods provided for in any of subheadings
11 8407.31 through 8407.34, in subheading
12 8408.20, or in heading 8409, 8706, 8707, or
13 8708, that are produced in the same plant, an
14 importer, exporter, or producer may—

15 (i) average the amounts calculated
16 under the formula contained in subpara-
17 graph (A) over—

18 (I) the fiscal year of the motor
19 vehicle producer to whom the auto-
20 motive goods are sold,

21 (II) any quarter or month, or

22 (III) its own fiscal year,

23 if the goods were produced during the fis-
24 cal year, quarter, or month that is the
25 basis for the calculation;



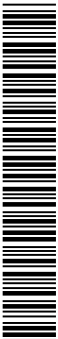
1 (ii) determine the average referred to
2 in clause (i) separately for such goods sold
3 to 1 or more motor vehicle producers; or

4 (iii) make a separate determination
5 under clause (i) or (ii) for automotive
6 goods that are exported to the territory of
7 one or more of the CAFTA–DR countries.

8 (E) CALCULATING NET COST.—The im-
9 porter, exporter, or producer shall, consistent
10 with the provisions regarding allocation of costs
11 set out in generally accepted accounting prin-
12 ciples, determine the net cost of an automotive
13 good under subparagraph (B) by—

14 (i) calculating the total cost incurred
15 with respect to all goods produced by the
16 producer of the automotive good, sub-
17 tracting any sales promotion, marketing
18 and after-sales service costs, royalties,
19 shipping and packing costs, and nonallow-
20 able interest costs that are included in the
21 total cost of all such goods, and then rea-
22 sonably allocating the resulting net cost of
23 those goods to the automotive good;

24 (ii) calculating the total cost incurred
25 with respect to all goods produced by that



1 producer, reasonably allocating the total
2 cost to the automotive good, and then sub-
3 tracting any sales promotion, marketing
4 and after-sales service costs, royalties,
5 shipping and packing costs, and nonallow-
6 able interest costs that are included in the
7 portion of the total cost allocated to the
8 automotive good; or

9 (iii) reasonably allocating each cost
10 that forms part of the total cost incurred
11 with respect to the automotive good so that
12 the aggregate of all such costs does not in-
13 clude any sales promotion, marketing and
14 after-sales service costs, royalties, shipping
15 and packing costs, or nonallowable interest
16 costs.

17 (d) VALUE OF MATERIALS.—

18 (1) IN GENERAL.—For the purpose of calcu-
19 lating the regional value-content of a good under
20 subsection (c), and for purposes of applying the de
21 minimis rules under subsection (f), the value of a
22 material is—

23 (A) in the case of a material that is im-
24 ported by the producer of the good, the ad-
25 justed value of the material;



1 (B) in the case of a material acquired in
2 the territory in which the good is produced, the
3 value, determined in accordance with Articles 1
4 through 8, Article 15, and the corresponding in-
5 terpretive notes of the Agreement on Implemen-
6 tation of Article VII of the General Agreement
7 on Tariffs and Trade 1994 referred to in sec-
8 tion 101(d)(8) of the Uruguay Round Agree-
9 ments Act, as set forth in regulations promul-
10 gated by the Secretary of the Treasury pro-
11 viding for the application of such Articles in the
12 absence of an importation; or

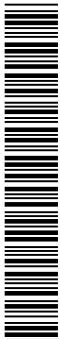
13 (C) in the case of a material that is self-
14 produced, the sum of—

15 (i) all expenses incurred in the pro-
16 duction of the material, including general
17 expenses; and

18 (ii) an amount for profit equivalent to
19 the profit added in the normal course of
20 trade.

21 (2) FURTHER ADJUSTMENTS TO THE VALUE OF
22 MATERIALS.—

23 (A) ORIGINATING MATERIAL.—The fol-
24 lowing expenses, if not included in the value of
25 an originating material calculated under para-



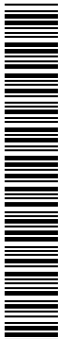
1 graph (1), may be added to the value of the
2 originating material:

3 (i) The costs of freight, insurance,
4 packing, and all other costs incurred in
5 transporting the material within or be-
6 tween the territory of one or more of the
7 CAFTA–DR countries to the location of
8 the producer.

9 (ii) Duties, taxes, and customs broker-
10 age fees on the material paid in the terri-
11 tory of one or more of the CAFTA–DR
12 countries, other than duties or taxes that
13 are waived, refunded, refundable, or other-
14 wise recoverable, including credit against
15 duty or tax paid or payable.

16 (iii) The cost of waste and spoilage re-
17 sulting from the use of the material in the
18 production of the good, less the value of
19 renewable scrap or byproducts.

20 (B) NONORIGINATING MATERIAL.—The
21 following expenses, if included in the value of a
22 nonoriginating material calculated under para-
23 graph (1), may be deducted from the value of
24 the nonoriginating material:



1 (i) The costs of freight, insurance,
2 packing, and all other costs incurred in
3 transporting the material within or be-
4 tween the territory of one or more of the
5 CAFTA–DR countries to the location of
6 the producer.

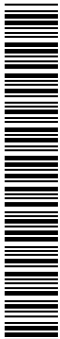
7 (ii) Duties, taxes, and customs broker-
8 age fees on the material paid in the terri-
9 tory of one or more of the CAFTA–DR
10 countries, other than duties or taxes that
11 are waived, refunded, refundable, or other-
12 wise recoverable, including credit against
13 duty or tax paid or payable.

14 (iii) The cost of waste and spoilage re-
15 sulting from the use of the material in the
16 production of the good, less the value of
17 renewable scrap or byproducts.

18 (iv) The cost of originating materials
19 used in the production of the nonorigi-
20 nating material in the territory of one or
21 more of the CAFTA–DR countries.

22 (e) ACCUMULATION.—

23 (1) ORIGINATING MATERIALS USED IN PRODUC-
24 TION OF GOODS OF ANOTHER COUNTRY.—Orig-
25 inating materials from the territory of one or more



1 of the CAFTA–DR countries that are used in the
2 production of a good in the territory of another
3 CAFTA–DR country shall be considered to originate
4 in the territory of that other country.

5 (2) MULTIPLE PROCEDURES.—A good that is
6 produced in the territory of one or more of the
7 CAFTA–DR countries by 1 or more producers is an
8 originating good if the good satisfies the require-
9 ments of subsection (b) and all other applicable re-
10 quirements of this section.

11 (f) DE MINIMIS AMOUNTS OF NONORIGINATING MA-
12 TERIALS.—

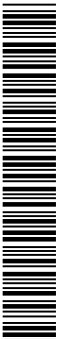
13 (1) IN GENERAL.—Except as provided in para-
14 graphs (2) and (3), a good that does not undergo a
15 change in tariff classification pursuant to Annex 4.1
16 of the Agreement is an originating good if—

17 (A) the value of all nonoriginating mate-
18 rials that—

19 (i) are used in the production of the
20 good, and

21 (ii) do not undergo the applicable
22 change in tariff classification (set out in
23 Annex 4.1 of the Agreement),

24 does not exceed 10 percent of the adjusted
25 value of the good;



1 (B) the good meets all other applicable re-
2 quirements of this section; and

3 (C) the value of such nonoriginating mate-
4 rials is included in the value of nonoriginating
5 materials for any applicable regional value-con-
6 tent requirement for the good.

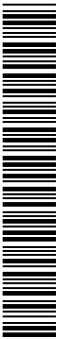
7 (2) EXCEPTIONS.—Paragraph (1) does not
8 apply to the following:

9 (A) A nonoriginating material provided for
10 in chapter 4, or a nonoriginating dairy prepara-
11 tion containing over 10 percent by weight of
12 milk solids provided for in subheading 1901.90
13 or 2106.90, that is used in the production of a
14 good provided for in chapter 4.

15 (B) A nonoriginating material provided for
16 in chapter 4, or a nonoriginating dairy prepara-
17 tion containing over 10 percent by weight of
18 milk solids provided for in subheading 1901.90,
19 that is used in the production of the following
20 goods:

21 (i) Infant preparations containing
22 over 10 percent by weight of milk solids
23 provided for in subheading 1901.10.

24 (ii) Mixes and doughs, containing over
25 25 percent by weight of butterfat, not put



1 up for retail sale, provided for in sub-
2 heading 1901.20.

3 (iii) Dairy preparations containing
4 over 10 percent by weight of milk solids
5 provided for in subheading 1901.90 or
6 2106.90.

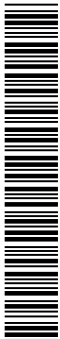
7 (iv) Goods provided for in heading
8 2105.

9 (v) Beverages containing milk pro-
10 vided for in subheading 2202.90.

11 (vi) Animal feeds containing over 10
12 percent by weight of milk solids provided
13 for in subheading 2309.90.

14 (C) A nonoriginating material provided for
15 in heading 0805, or any of subheadings
16 2009.11 through 2009.39, that is used in the
17 production of a good provided for in any of sub-
18 headings 2009.11 through 2009.39, or in fruit
19 or vegetable juice of any single fruit or vege-
20 table, fortified with minerals or vitamins, con-
21 centrated or unconcentrated, provided for in
22 subheading 2106.90 or 2202.90.

23 (D) A nonoriginating material provided for
24 in heading 0901 or 2101 that is used in the



1 production of a good provided for in heading
2 0901 or 2101.

3 (E) A nonoriginating material provided for
4 in heading 1006 that is used in the production
5 of a good provided for in heading 1102 or 1103
6 or subheading 1904.90.

7 (F) A nonoriginating material provided for
8 in chapter 15 that is used in the production of
9 a good provided for in chapter 15.

10 (G) A nonoriginating material provided for
11 in heading 1701 that is used in the production
12 of a good provided for in any of headings 1701
13 through 1703.

14 (H) A nonoriginating material provided for
15 in chapter 17 that is used in the production of
16 a good provided for in subheading 1806.10.

17 (I) Except as provided in subparagraphs
18 (A) through (H) and Annex 4.1 of the Agree-
19 ment, a nonoriginating material used in the
20 production of a good provided for in any of
21 chapters 1 through 24, unless the nonorigi-
22 nating material is provided for in a different
23 subheading than the good for which origin is
24 being determined under this section.

25 (3) TEXTILE OR APPAREL GOODS.—



1 (A) IN GENERAL.—Except as provided in
2 subparagraph (B), a textile or apparel good
3 that is not an originating good because certain
4 fibers or yarns used in the production of the
5 component of the good that determines the tar-
6 iff classification of the good do not undergo an
7 applicable change in tariff classification, set out
8 in Annex 4.1 of the Agreement, shall be consid-
9 ered to be an originating good if—

10 (i) the total weight of all such fibers
11 or yarns in that component is not more
12 than 10 percent of the total weight of that
13 component; or

14 (ii) the yarns are those described in
15 section 204(b)(3)(B)(vi)(IV) of the Andean
16 Trade Preference Act (19 U.S.C.
17 3203(b)(3)(B)(vi)(IV))(as in effect on the
18 date of enactment of this Act).

19 (B) CERTAIN TEXTILE OR APPAREL
20 GOODS.—A textile or apparel good containing
21 elastomeric yarns in the component of the good
22 that determines the tariff classification of the
23 good shall be considered to be an originating
24 good only if such yarns are wholly formed in
25 the territory of a CAFTA–DR country.



1 (C) YARN, FABRIC, OR FIBER.—For pur-
2 poses of this paragraph, in the case of a good
3 that is a yarn, fabric, or fiber, the term “com-
4 ponent of the good that determines the tariff
5 classification of the good” means all of the fi-
6 bers in the good.

7 (g) FUNGIBLE GOODS AND MATERIALS.—

8 (1) IN GENERAL.—

9 (A) CLAIM FOR PREFERENTIAL TARIFF
10 TREATMENT.—A person claiming that a fun-
11 gible good or fungible material is an originating
12 good may base the claim either on the physical
13 segregation of the fungible good or fungible ma-
14 terial or by using an inventory management
15 method with respect to the fungible good or
16 fungible material.

17 (B) INVENTORY MANAGEMENT METHOD.—
18 In this subsection, the term “inventory manage-
19 ment method” means—

- 20 (i) averaging;
21 (ii) “last-in, first-out”;
22 (iii) “first-in, first-out”; or
23 (iv) any other method—

24 (I) recognized in the generally
25 accepted accounting principles of the



1 CAFTA-DR country in which the
2 production is performed; or

3 (II) otherwise accepted by that
4 country.

5 (2) ELECTION OF INVENTORY METHOD.—A
6 person selecting an inventory management method
7 under paragraph (1) for a particular fungible good
8 or fungible material shall continue to use that meth-
9 od for that fungible good or fungible material
10 throughout the fiscal year of that person.

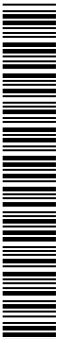
11 (h) ACCESSORIES, SPARE PARTS, OR TOOLS.—

12 (1) IN GENERAL.—Subject to paragraphs (2)
13 and (3), accessories, spare parts, or tools delivered
14 with a good that form part of the good's standard
15 accessories, spare parts, or tools shall—

16 (A) be treated as originating goods if the
17 good is an originating good; and

18 (B) be disregarded in determining whether
19 all the nonoriginating materials used in the pro-
20 duction of the good undergo the applicable
21 change in tariff classification set out in Annex
22 4.1 of the Agreement.

23 (2) CONDITIONS.—Paragraph (1) shall apply
24 only if—

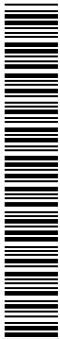


1 (A) the accessories, spare parts, or tools
2 are classified with and not invoiced separately
3 from the good, regardless of whether they ap-
4 pear specified or separately identified in the in-
5 voice for the good; and

6 (B) the quantities and value of the acces-
7 sories, spare parts, or tools are customary for
8 the good.

9 (3) REGIONAL VALUE-CONTENT.—If the good is
10 subject to a regional value-content requirement, the
11 value of the accessories, spare parts, or tools shall
12 be taken into account as originating or nonorigi-
13 nating materials, as the case may be, in calculating
14 the regional value-content of the good.

15 (i) PACKAGING MATERIALS AND CONTAINERS FOR
16 RETAIL SALE.—Packaging materials and containers in
17 which a good is packaged for retail sale, if classified with
18 the good, shall be disregarded in determining whether all
19 the nonoriginating materials used in the production of the
20 good undergo the applicable change in tariff classification
21 set out in Annex 4.1 of the Agreement, and, if the good
22 is subject to a regional value-content requirement, the
23 value of such packaging materials and containers shall be
24 taken into account as originating or nonoriginating mate-



1 rials, as the case may be, in calculating the regional value-
2 content of the good.

3 (j) PACKING MATERIALS AND CONTAINERS FOR
4 SHIPMENT.—Packing materials and containers for ship-
5 ment shall be disregarded in determining whether a good
6 is an originating good.

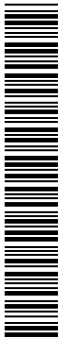
7 (k) INDIRECT MATERIALS.—An indirect material
8 shall be treated as an originating material without regard
9 to where it is produced.

10 (l) TRANSIT AND TRANSHIPMENT.—A good that has
11 undergone production necessary to qualify as an origi-
12 nating good under subsection (b) shall not be considered
13 to be an originating good if, subsequent to that produc-
14 tion, the good—

15 (1) undergoes further production or any other
16 operation outside the territories of the CAFTA–DR
17 countries, other than unloading, reloading, or any
18 other operation necessary to preserve the good in
19 good condition or to transport the good to the terri-
20 tory of a CAFTA–DR country; or

21 (2) does not remain under the control of cus-
22 toms authorities in the territory of a country other
23 than a CAFTA–DR country.

24 (m) GOODS CLASSIFIABLE AS GOODS PUT UP IN
25 SETS.—Notwithstanding the rules set forth in Annex 4.1



1 of the Agreement, goods classifiable as goods put up in
2 sets for retail sale as provided for in General Rule of Inter-
3 pretation 3 of the HTS shall not be considered to be origi-
4 nating goods unless—

5 (1) each of the goods in the set is an origi-
6 nating good; or

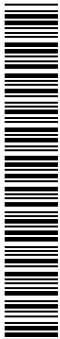
7 (2) the total value of the nonoriginating goods
8 in the set does not exceed—

9 (A) in the case of textile or apparel goods,
10 10 percent of the adjusted value of the set; or

11 (B) in the case of a good, other than a tex-
12 tile or apparel good, 15 percent of the adjusted
13 value of the set.

14 (n) DEFINITIONS.—In this section:

15 (1) ADJUSTED VALUE.—The term “adjusted
16 value” means the value determined in accordance
17 with Articles 1 through 8, Article 15, and the cor-
18 responding interpretive notes of the Agreement on
19 Implementation of Article VII of the General Agree-
20 ment on Tariffs and Trade 1994 referred to in sec-
21 tion 101(d)(8) of the Uruguay Round Agreements
22 Act, adjusted, if necessary, to exclude any costs,
23 charges, or expenses incurred for transportation, in-
24 surance, and related services incident to the inter-



1 national shipment of the merchandise from the coun-
2 try of exportation to the place of importation.

3 (2) CAFTA-DR COUNTRY.—The term
4 “CAFTA-DR country” means—

5 (A) the United States; and

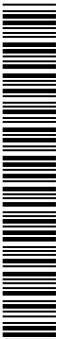
6 (B) Costa Rica, the Dominican Republic,
7 El Salvador, Guatemala, Honduras, or Nica-
8 ragua, for such time as the Agreement is in
9 force between the United States and that coun-
10 try.

11 (3) CLASS OF MOTOR VEHICLES.—The term
12 “class of motor vehicles” means any one of the fol-
13 lowing categories of motor vehicles:

14 (A) Motor vehicles provided for in sub-
15 heading 8701.20, 8704.10, 8704.22, 8704.23,
16 8704.32, or 8704.90, or heading 8705 or 8706,
17 or motor vehicles for the transport of 16 or
18 more persons provided for in subheading
19 8702.10 or 8702.90.

20 (B) Motor vehicles provided for in sub-
21 heading 8701.10 or any of subheadings
22 8701.30 through 8701.90.

23 (C) Motor vehicles for the transport of 15
24 or fewer persons provided for in subheading



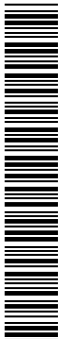
1 8702.10 or 8702.90, or motor vehicles provided
2 for in subheading 8704.21 or 8704.31.

3 (D) Motor vehicles provided for in any of
4 subheadings 8703.21 through 8703.90.

5 (4) FUNGIBLE GOOD OR FUNGIBLE MATE-
6 RIAL.—The term “fungible good” or “fungible mate-
7 rial” means a good or material, as the case may be,
8 that is interchangeable with another good or mate-
9 rial for commercial purposes and the properties of
10 which are essentially identical to such other good or
11 material.

12 (5) GENERALLY ACCEPTED ACCOUNTING PRIN-
13 CIPLES.—The term “generally accepted accounting
14 principles” means the recognized consensus or sub-
15 stantial authoritative support in the territory of a
16 CAFTA–DR country with respect to the recording
17 of revenues, expenses, costs, assets, and liabilities,
18 the disclosure of information, and the preparation of
19 financial statements. The principles may encompass
20 broad guidelines of general application as well as de-
21 tailed standards, practices, and procedures.

22 (6) GOODS WHOLLY OBTAINED OR PRODUCED
23 ENTIRELY IN THE TERRITORY OF ONE OR MORE OF
24 THE CAFTA–DR COUNTRIES.—The term “goods
25 wholly obtained or produced entirely in the territory



1 of one or more of the CAFTA–DR countries”
2 means—

3 (A) plants and plant products harvested or
4 gathered in the territory of one or more of the
5 CAFTA–DR countries;

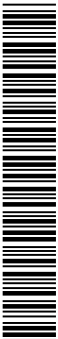
6 (B) live animals born and raised in the ter-
7 ritory of one or more of the CAFTA–DR coun-
8 tries;

9 (C) goods obtained in the territory of one
10 or more of the CAFTA–DR countries from live
11 animals;

12 (D) goods obtained from hunting, trap-
13 ping, fishing or aquaculture conducted in the
14 territory of one or more of the CAFTA–DR
15 countries;

16 (E) minerals and other natural resources
17 not included in subparagraphs (A) through (D)
18 that are extracted or taken in the territory of
19 one or more of the CAFTA–DR countries;

20 (F) fish, shellfish, and other marine life
21 taken from the sea, seabed, or subsoil outside
22 the territory of one or more of the CAFTA–DR
23 countries by vessels registered or recorded with
24 a CAFTA–DR country and flying the flag of
25 that country;



1 (G) goods produced on board factory ships
2 from the goods referred to in subparagraph (F),
3 if such factory ships are registered or recorded
4 with that CAFTA–DR country and fly the flag
5 of that country;

6 (H) goods taken by a CAFTA–DR country
7 or a person of a CAFTA–DR country from the
8 seabed or subsoil outside territorial waters, if a
9 CAFTA–DR country has rights to exploit such
10 seabed or subsoil;

11 (I) goods taken from outer space, if the
12 goods are obtained by a CAFTA–DR country or
13 a person of a CAFTA–DR country and not
14 processed in the territory of a country other
15 than a CAFTA–DR country;

16 (J) waste and scrap derived from—

17 (i) manufacturing or processing oper-
18 ations in the territory of one or more of
19 the CAFTA–DR countries; or

20 (ii) used goods collected in the terri-
21 tory of one or more of the CAFTA–DR
22 countries, if such goods are fit only for the
23 recovery of raw materials;

24 (K) recovered goods derived in the terri-
25 tory of one or more of the CAFTA–DR coun-



1 tries from used goods, and used in the territory
2 of a CAFTA–DR country in the production of
3 remanufactured goods; and

4 (L) goods produced in the territory of one
5 or more of the CAFTA–DR countries exclu-
6 sively from—

7 (i) goods referred to in any of sub-
8 paragraphs (A) through (J), or

9 (ii) the derivatives of goods referred
10 to in clause (i),

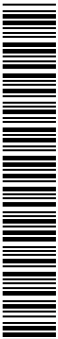
11 at any stage of production.

12 (7) IDENTICAL GOODS.—The term “identical
13 goods” means identical goods as defined in the
14 Agreement on Implementation of Article VII of the
15 General Agreement on Tariffs and Trade 1994 re-
16 ferred to in section 101(d)(8) of the Uruguay Round
17 Agreements Act;

18 (8) INDIRECT MATERIAL.—The term “indirect
19 material” means a good used in the production, test-
20 ing, or inspection of a good but not physically incor-
21 porated into the good, or a good used in the mainte-
22 nance of buildings or the operation of equipment as-
23 sociated with the production of a good, including—

24 (A) fuel and energy;

25 (B) tools, dies, and molds;



1 (C) spare parts and materials used in the
2 maintenance of equipment or buildings;

3 (D) lubricants, greases, compounding ma-
4 terials, and other materials used in production
5 or used to operate equipment or buildings;

6 (E) gloves, glasses, footwear, clothing,
7 safety equipment, and supplies;

8 (F) equipment, devices, and supplies used
9 for testing or inspecting the good;

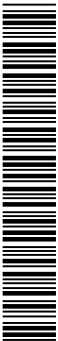
10 (G) catalysts and solvents; and

11 (H) any other goods that are not incor-
12 porated into the good but the use of which in
13 the production of the good can reasonably be
14 demonstrated to be a part of that production.

15 (9) MATERIAL.—The term “material” means a
16 good that is used in the production of another good,
17 including a part or an ingredient.

18 (10) MATERIAL THAT IS SELF-PRODUCED.—
19 The term “material that is self-produced” means an
20 originating material that is produced by a producer
21 of a good and used in the production of that good.

22 (11) MODEL LINE.—The term “model line”
23 means a group of motor vehicles having the same
24 platform or model name.



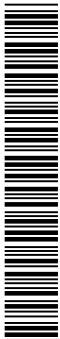
1 (12) NET COST.—The term “net cost” means
2 total cost minus sales promotion, marketing, and
3 after-sales service costs, royalties, shipping and
4 packing costs, and non-allowable interest costs that
5 are included in the total cost.

6 (13) NONALLOWABLE INTEREST COSTS.—The
7 term “nonallowable interest costs” means interest
8 costs incurred by a producer that exceed 700 basis
9 points above the applicable official interest rate for
10 comparable maturities of the CAFTA–DR country
11 in which the producer is located.

12 (14) NONORIGINATING GOOD OR NONORIGI-
13 NATING MATERIAL.—The terms “nonoriginating
14 good” and “nonoriginating material” mean a good
15 or material, as the case may be, that does not qual-
16 ify as originating under this section.

17 (15) PACKING MATERIALS AND CONTAINERS
18 FOR SHIPMENT.—The term “packing materials and
19 containers for shipment” means the goods used to
20 protect a good during its transportation and does
21 not include the packaging materials and containers
22 in which a good is packaged for retail sale.

23 (16) PREFERENTIAL TARIFF TREATMENT.—
24 The term “preferential tariff treatment” means the
25 customs duty rate, and the treatment under article



1 3.10.4 of the Agreement, that are applicable to an
2 originating good pursuant to the Agreement.

3 (17) PRODUCER.—The term “producer” means
4 a person who engages in the production of a good
5 in the territory of a CAFTA–DR country.

6 (18) PRODUCTION.—The term “production”
7 means growing, mining, harvesting, fishing, raising,
8 trapping, hunting, manufacturing, processing, as-
9 sembling, or disassembling a good.

10 (19) REASONABLY ALLOCATE.—The term “rea-
11 sonably allocate” means to apportion in a manner
12 that would be appropriate under generally accepted
13 accounting principles.

14 (20) RECOVERED GOODS.—The term “recov-
15 ered goods” means materials in the form of indi-
16 vidual parts that are the result of—

17 (A) the disassembly of used goods into in-
18 dividual parts; and

19 (B) the cleaning, inspecting, testing, or
20 other processing that is necessary for improve-
21 ment to sound working condition of such indi-
22 vidual parts.

23 (21) REMANUFACTURED GOOD.—The term “re-
24 manufactured good” means a good that is classified
25 under chapter 84, 85, or 87, or heading 9026, 9031,



1 or 9032, other than a good classified under heading
2 8418 or 8516, and that—

3 (A) is entirely or partially comprised of re-
4 covered goods; and

5 (B) has a similar life expectancy and en-
6 joys a factory warranty similar to such a new
7 good.

8 (22) TOTAL COST.—The term “total cost”
9 means all product costs, period costs, and other
10 costs for a good incurred in the territory of one or
11 more of the CAFTA–DR countries.

12 (23) USED.—The term “used” means used or
13 consumed in the production of goods.

14 (o) PRESIDENTIAL PROCLAMATION AUTHORITY.—

15 (1) IN GENERAL.—The President is authorized
16 to proclaim, as part of the HTS—

17 (A) the provisions set out in Annex 4.1 of
18 the Agreement; and

19 (B) any additional subordinate category
20 necessary to carry out this title consistent with
21 the Agreement.

22 (2) FABRICS AND YARNS NOT AVAILABLE IN
23 COMMERCIAL QUANTITIES IN THE UNITED
24 STATES.—The President is authorized to proclaim
25 that a fabric or yarn is added to the list in Annex



1 3.25 of the Agreement in an unrestricted quantity,
2 as provided in article 3.25.4(e) of the Agreement.

3 (3) MODIFICATIONS.—

4 (A) IN GENERAL.—Subject to the consulta-
5 tion and layover provisions of section 104, the
6 President may proclaim modifications to the
7 provisions proclaimed under the authority of
8 paragraph (1)(A), other than provisions of
9 chapters 50 through 63, as included in Annex
10 4.1 of the Agreement.

11 (B) ADDITIONAL PROCLAMATIONS.—Not-
12 withstanding subparagraph (A), and subject to
13 the consultation and layover provisions of sec-
14 tion 104, the President may proclaim before the
15 end of the 1-year period beginning on the date
16 of the enactment of this Act, modifications to
17 correct any typographical, clerical, or other non-
18 substantive technical error regarding the provi-
19 sions of chapters 50 through 63, as included in
20 Annex 4.1 of the Agreement.

21 (4) FABRICS, YARNS, OR FIBERS NOT AVAIL-
22 ABLE IN COMMERCIAL QUANTITIES IN THE CAFTA-
23 DR COUNTRIES.—

24 (A) IN GENERAL.—Notwithstanding para-
25 graph 3(A), the list of fabrics, yarns, and fibers



1 set out in Annex 3.25 of the Agreement may be
2 modified as provided for in this paragraph.

3 (B) DEFINITIONS.—In this paragraph:

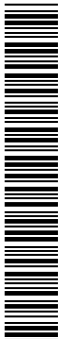
4 (i) The term “interested entity”
5 means the government of a CAFTA–DR
6 country other than the United States, a
7 potential or actual purchaser of a textile or
8 apparel good, or a potential or actual sup-
9 plier of a textile or apparel good.

10 (ii) All references to “day” and
11 “days” exclude Saturdays, Sundays, and
12 legal holidays.

13 (C) REQUESTS TO ADD FABRICS, YARNS,
14 OR FIBERS.—(i) An interested entity may re-
15 quest the President to determine that a fabric,
16 yarn, or fiber is not available in commercial
17 quantities in a timely manner in the CAFTA–
18 DR countries and to add that fabric, yarn, or
19 fiber to the list in Annex 3.25 of the Agreement
20 in a restricted or unrestricted quantity.

21 (ii) After receiving a request under clause
22 (i), the President may determine whether—

23 (I) the fabric, yarn, or fiber is avail-
24 able in commercial quantities in a timely
25 manner in the CAFTA–DR countries; or



1 (II) any interested entity objects to
2 the request.

3 (iii) The President may, within the time
4 periods specified in clause (iv), proclaim that a
5 fabric, yarn, or fiber that is the subject of a re-
6 quest submitted under clause (i) is added to the
7 list in Annex 3.25 of the Agreement in an unre-
8 stricted quantity, or in any restricted quantity
9 that the President may establish, if the Presi-
10 dent determines under clause (ii) that—

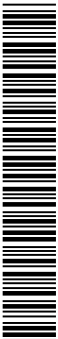
11 (I) the fabric, yarn, or fiber is not
12 available in commercial quantities in a
13 timely manner in the CAFTA–DR coun-
14 tries; or

15 (II) no interested entity has objected
16 to the request.

17 (iv) The time periods within which the
18 President may issue a proclamation under
19 clause (iii) are—

20 (I) not later than 30 days after the
21 date on which the request is submitted
22 under clause (i); or

23 (II) not later than 44 days after the
24 request is submitted, if the President de-
25 termines, within 30 days after the date on

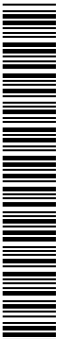


1 which the request is submitted, that the
2 President does not have sufficient informa-
3 tion to make a determination under clause
4 (ii).

5 (v) Notwithstanding section 103(a)(2), a
6 proclamation made under clause (iii) shall take
7 effect on the date on which the text of the proc-
8 lamation is published in the Federal Register.

9 (vi) Not later than 6 months after pro-
10 claiming under clause (iii) that a fabric, yarn,
11 or fiber is added to the list in Annex 3.25 of
12 the Agreement in a restricted quantity, the
13 President may eliminate the restriction if the
14 President determines that the fabric, yarn, or
15 fiber is not available in commercial quantities in
16 a timely manner in the CAFTA-DR countries.

17 (D) DEEMED APPROVAL OF REQUEST.—If,
18 after an interested entity submits a request
19 under subparagraph (C)(i), the President does
20 not, within the applicable time period specified
21 in subparagraph (C)(iv), make a determination
22 under subparagraph (C)(ii) regarding the re-
23 quest, the fabric, yarn, or fiber that is the sub-
24 ject of the request shall be considered to be



1 added, in an unrestricted quantity, to the list in
2 Annex 3.25 of the Agreement beginning—

3 (i) 45 days after the date on which
4 the request was submitted; or

5 (ii) 60 days after the date on which
6 the request was submitted, if the President
7 made a determination under subparagraph
8 (C)(iv)(II).

9 (E) REQUESTS TO RESTRICT OR REMOVE
10 FABRICS, YARNS, OR FIBERS.—(i) Subject to
11 clause (ii), an interested entity may request the
12 President to restrict the quantity of, or remove
13 from the list in Annex 3.25 of the Agreement,
14 any fabric, yarn, or fiber—

15 (I) that has been added to that list in
16 an unrestricted quantity pursuant to para-
17 graph (2) or subparagraph (C)(iii) or (D);
18 or

19 (II) with respect to which the Presi-
20 dent has eliminated a restriction under
21 subparagraph (C)(vi).

22 (ii) An interested entity may submit a re-
23 quest under clause (i) at any time beginning 6
24 months after the date of the action described in
25 subclause (I) or (II) of that clause.



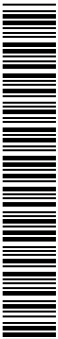
1 (iii) Not later than 30 days after the date
2 on which a request under clause (i) is sub-
3 mitted, the President may proclaim an action
4 provided for under clause (i) if the President
5 determines that the fabric, yarn, or fiber that
6 is the subject of the request is available in com-
7 mercial quantities in a timely manner in the
8 CAFTA–DR countries.

9 (iv) A proclamation declared under clause
10 (iii) shall take effect no earlier than the date
11 that is 6 months after the date on which the
12 text of the proclamation is published in the
13 Federal Register.

14 (F) PROCEDURES.—The President shall
15 establish procedures—

16 (i) governing the submission of a re-
17 quest under subparagraphs (C) and (E);
18 and

19 (ii) providing an opportunity for inter-
20 ested entities to submit comments and sup-
21 porting evidence before the President
22 makes a determination under subpara-
23 graph (C) (ii) or (vi) or (E)(iii).



1 **SEC. 204. CUSTOMS USER FEES.**

2 Section 13031(b) of the Consolidated Omnibus Budg-
3 et Reconciliation Act of 1985 (19 U.S.C. 58c(b)) is
4 amended by adding after paragraph (14), the following:

5 “(15) No fee may be charged under subsection
6 (a) (9) or (10) with respect to goods that qualify as
7 originating goods under section 203 of the Domini-
8 can Republic-Central America-United States Free
9 Trade Agreement Implementation Act. Any service
10 for which an exemption from such fee is provided by
11 reason of this paragraph may not be funded with
12 money contained in the Customs User Fee Ac-
13 count.”.

14 **SEC. 205. RETROACTIVE APPLICATION FOR CERTAIN LIQ-**
15 **UIDATIONS AND RELIQUIDATIONS OF TEX-**
16 **TILE OR APPAREL GOODS.**

17 (a) IN GENERAL.—Notwithstanding section 514 of
18 the Tariff Act of 1930 (19 U.S.C. 1514) or any other pro-
19 vision of law, and subject to subsection (c), an entry—

20 (1) of a textile or apparel good—

21 (A) of a CAFTA–DR country that the
22 United States Trade Representative has des-
23 ignated as an eligible country under subsection
24 (b), and

25 (B) that would have qualified as an origi-
26 nating good under section 203 if the good had



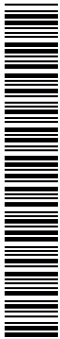
1 been entered after the date of entry into force
2 of the Agreement for that country,

3 (2) that was made on or after January 1, 2004,
4 and before the date of the entry into force of the
5 Agreement with respect to that country, and

6 (3) for which customs duties in excess of the
7 applicable rate of duty for that good set out in the
8 Schedule of the United States to Annex 3.3 of the
9 Agreement were paid,
10 shall be liquidated or reliquidated at the applicable rate
11 of duty for that good set out in the Schedule of the United
12 States to Annex 3.3 of the Agreement, and the Secretary
13 of the Treasury shall refund any excess customs duties
14 paid with respect to such entry.

15 (b) ELIGIBLE COUNTRY.—The United States Trade
16 Representative shall determine, in accordance with article
17 3.20 of the Agreement, which CAFTA–DR countries are
18 eligible countries for purposes of this section, and shall
19 publish a list of all such countries in the Federal Register.

20 (c) REQUESTS.—Liquidation or reliquidation may be
21 made under subsection (a) with respect to an entry of a
22 textile or apparel good only if a request therefor is filed
23 with the Bureau of Customs and Border Protection, with-
24 in such period as the Bureau of Customs and Border Pro-
25 tection shall establish by regulation in consultation with



1 the Secretary of the Treasury, that contains sufficient in-
2 formation to enable the Bureau of Customs and Border
3 Protection—

4 (1)(A) to locate the entry; or

5 (B) to reconstruct the entry if it cannot be lo-
6 cated; and

7 (2) to determine that the good satisfies the con-
8 ditions set out in subsection (a).

9 (d) DEFINITION.—As used in this section, the term
10 “entry” includes a withdrawal from warehouse for con-
11 sumption.

12 **SEC. 206. DISCLOSURE OF INCORRECT INFORMATION;**
13 **FALSE CERTIFICATIONS OF ORIGIN; DENIAL**
14 **OF PREFERENTIAL TARIFF TREATMENT.**

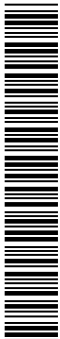
15 (a) DISCLOSURE OF INCORRECT INFORMATION.—
16 Section 592 of the Tariff Act of 1930 (19 U.S.C. 1592)
17 is amended—

18 (1) in subsection (c)—

19 (A) by redesignating paragraph (9) as
20 paragraph (10); and

21 (B) by inserting after paragraph (8) the
22 following new paragraph:

23 “(9) PRIOR DISCLOSURE REGARDING CLAIMS
24 UNDER THE DOMINICAN REPUBLIC-CENTRAL AMER-
25 ICA-UNITED STATES FREE TRADE AGREEMENT.—An



1 importer shall not be subject to penalties under sub-
2 section (a) for making an incorrect claim that a
3 good qualifies as an originating good under section
4 203 of the Dominican Republic-Central America-
5 United States Free Trade Agreement Implementa-
6 tion Act if the importer, in accordance with regula-
7 tions issued by the Secretary of the Treasury,
8 promptly and voluntarily makes a corrected declara-
9 tion and pays any duties owing.”; and

10 (2) by adding at the end the following new sub-
11 section:

12 “(h) FALSE CERTIFICATIONS OF ORIGIN UNDER THE
13 DOMINICAN REPUBLIC-CENTRAL AMERICA-UNITED
14 STATES FREE TRADE AGREEMENT.—

15 “(1) IN GENERAL.—Subject to paragraph (2),
16 it is unlawful for any person to certify falsely, by
17 fraud, gross negligence, or negligence, in a CAFTA-
18 DR certification of origin (as defined in section
19 508(g)(1)(B) of this Act) that a good exported from
20 the United States qualifies as an originating good
21 under the rules of origin set out in section 203 of
22 the Dominican Republic-Central America-United
23 States Free Trade Agreement Implementation Act.
24 The procedures and penalties of this section that



1 apply to a violation of subsection (a) also apply to
2 a violation of this subsection.

3 “(2) PROMPT AND VOLUNTARY DISCLOSURE OF
4 INCORRECT INFORMATION.—No penalty shall be im-
5 posed under this subsection if, promptly after an ex-
6 porter or producer that issued a CAFTA–DR certifi-
7 cation of origin has reason to believe that such cer-
8 tification contains or is based on incorrect informa-
9 tion, the exporter or producer voluntarily provides
10 written notice of such incorrect information to every
11 person to whom the certification was issued.

12 “(3) EXCEPTION.—A person may not be consid-
13 ered to have violated paragraph (1) if—

14 “(A) the information was correct at the
15 time it was provided in a CAFTA–DR certifi-
16 cation of origin but was later rendered incorrect
17 due to a change in circumstances; and

18 “(B) the person promptly and voluntarily
19 provides written notice of the change in cir-
20 cumstances to all persons to whom the person
21 provided the certification.”.

22 (b) DENIAL OF PREFERENTIAL TARIFF TREAT-
23 MENT.—Section 514 of the Tariff Act of 1930 (19 U.S.C.
24 1514) is amended by adding at the end the following new
25 subsection:



1 “(h) DENIAL OF PREFERENTIAL TARIFF TREAT-
2 MENT UNDER THE DOMINICAN REPUBLIC-CENTRAL
3 AMERICA-UNITED STATES FREE TRADE AGREEMENT.—
4 If the Bureau of Customs and Border Protection or the
5 Bureau of Immigration and Customs Enforcement finds
6 indications of a pattern of conduct by an importer, ex-
7 porter, or producer of false or unsupported representa-
8 tions that goods qualify under the rules of origin set out
9 in section 203 of the Dominican Republic-Central Amer-
10 ica-United States Free Trade Agreement Implementation
11 Act, the Bureau of Customs and Border Protection, in ac-
12 cordance with regulations issued by the Secretary of the
13 Treasury, may suspend preferential tariff treatment under
14 the Dominican Republic-Central America-United States
15 Free Trade Agreement to entries of identical goods cov-
16 ered by subsequent representations by that importer, ex-
17 porter, or producer until the Bureau of Customs and Bor-
18 der Protection determines that representations of that
19 person are in conformity with such section 203.”.

20 **SEC. 207. RELIQUIDATION OF ENTRIES.**

21 Subsection (d) of section 520 of the Tariff Act of
22 1930 (19 U.S.C. 1520(d)) is amended—

23 (1) in the matter preceding paragraph (1), by
24 striking “or section 202 of the United States-Chile
25 Free Trade Agreement Implementation Act” and in-



1 serting “, section 202 of the United States-Chile
2 Free Trade Agreement Implementation Act, or sec-
3 tion 203 of the Dominican Republic-Central Amer-
4 ica-United States Free Trade Agreement Implemen-
5 tation Act”; and

6 (2) in paragraph (2), by inserting “or certifi-
7 cations” after “other certificates”.

8 **SEC. 208. RECORDKEEPING REQUIREMENTS.**

9 Section 508 of the Tariff Act of 1930 (19 U.S.C.
10 1508) is amended—

11 (1) by redesignating subsection (g) as sub-
12 section (h);

13 (2) by inserting after subsection (f) the fol-
14 lowing new subsection:

15 “(g) CERTIFICATIONS OF ORIGIN FOR GOODS EX-
16 PORTED UNDER THE DOMINICAN REPUBLIC-CENTRAL
17 AMERICA-UNITED STATES FREE TRADE AGREEMENT.—

18 “(1) DEFINITIONS.—In this subsection:

19 “(A) RECORDS AND SUPPORTING DOCU-
20 MENTS.—The term ‘records and supporting
21 documents’ means, with respect to an exported
22 good under paragraph (2), records and docu-
23 ments related to the origin of the good,
24 including—



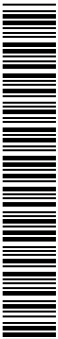
1 “(i) the purchase, cost, and value of,
2 and payment for, the good;

3 “(ii) the purchase, cost, and value of,
4 and payment for, all materials, including
5 indirect materials, used in the production
6 of the good; and

7 “(iii) the production of the good in
8 the form in which it was exported.

9 “(B) CAFTA–DR CERTIFICATION OF ORI-
10 GIN.—The term ‘CAFTA–DR certification of
11 origin’ means the certification established under
12 article 4.16 of the Dominican Republic-Central
13 America-United States Free Trade Agreement
14 that a good qualifies as an originating good
15 under such Agreement.

16 “(2) EXPORTS TO CAFTA–DR COUNTRIES.—Any
17 person who completes and issues a CAFTA–DR cer-
18 tification of origin for a good exported from the
19 United States shall make, keep, and, pursuant to
20 rules and regulations promulgated by the Secretary
21 of the Treasury, render for examination and inspec-
22 tion all records and supporting documents related to
23 the origin of the good (including the certification or
24 copies thereof).



1 “(3) RETENTION PERIOD.—Records and sup-
2 porting documents shall be kept by the person who
3 issued a CAFTA–DR certification of origin for at
4 least 5 years after the date on which the certifi-
5 cation was issued.”; and

6 (3) in subsection (h), as so redesignated—

7 (A) by inserting “or (g)” after “(f)”; and

8 (B) by striking “that subsection” and in-
9 serting “either such subsection”.

10 **SEC. 209. ENFORCEMENT RELATING TO TRADE IN TEXTILE**
11 **OR APPAREL GOODS.**

12 (a) ACTION DURING VERIFICATION.—

13 (1) IN GENERAL.—If the Secretary of the
14 Treasury requests the government of a CAFTA–DR
15 country to conduct a verification pursuant to article
16 3.24 of the Agreement for purposes of making a de-
17 termination under paragraph (2), the President may
18 direct the Secretary to take appropriate action de-
19 scribed in subsection (b) while the verification is
20 being conducted.

21 (2) DETERMINATION.—A determination under
22 this paragraph is a determination—

23 (A) that an exporter or producer in that
24 country is complying with applicable customs



1 laws, regulations, and procedures regarding
2 trade in textile or apparel goods, or

3 (B) that a claim that a textile or apparel
4 good exported or produced by such exporter or
5 producer—

6 (i) qualifies as an originating good
7 under section 203 of this Act, or

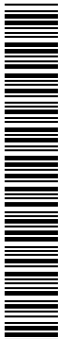
8 (ii) is a good of a CAFTA–DR coun-
9 try,
10 is accurate.

11 (b) APPROPRIATE ACTION DESCRIBED.—Appropriate
12 action under subsection (a)(1) includes—

13 (1) suspension of preferential tariff treatment
14 under the Agreement with respect to—

15 (A) any textile or apparel good exported or
16 produced by the person that is the subject of a
17 verification under subsection (a)(1) regarding
18 compliance described in subsection (a)(2)(A), if
19 the Secretary determines there is insufficient
20 information to support any claim for pref-
21 erential tariff treatment that has been made
22 with respect to any such good; or

23 (B) the textile or apparel good for which a
24 claim of preferential tariff treatment has been
25 made that is the subject of a verification under



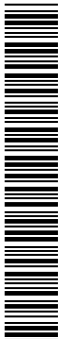
1 subsection (a)(1) regarding a claim described in
2 subsection (a)(2)(B), if the Secretary deter-
3 mines there is insufficient information to sup-
4 port that claim;

5 (2) denial of preferential tariff treatment under
6 the Agreement with respect to—

7 (A) any textile or apparel good exported or
8 produced by the person that is the subject of a
9 verification under subsection (a)(1) regarding
10 compliance described in subsection (a)(2)(A), if
11 the Secretary determines that the person has
12 provided incorrect information to support any
13 claim for preferential tariff treatment that has
14 been made with respect to any such good; or

15 (B) the textile or apparel good for which a
16 claim of preferential tariff treatment has been
17 made that is the subject of a verification under
18 subsection (a)(1) regarding a claim described in
19 subsection (a)(2)(B), if the Secretary deter-
20 mines that a person has provided incorrect in-
21 formation to support that claim;

22 (3) detention of any textile or apparel good ex-
23 ported or produced by the person that is the subject
24 of a verification under subsection (a)(1) regarding
25 compliance described in subsection (a)(2)(A) or a



1 claim described in subsection (a)(2)(B), if the Sec-
2 retary determines there is insufficient information to
3 determine the country of origin of any such good;
4 and

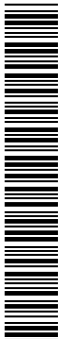
5 (4) denial of entry into the United States of
6 any textile or apparel good exported or produced by
7 the person that is the subject of a verification under
8 subsection (a)(1) regarding compliance described in
9 subsection (a)(2)(A) or a claim described in sub-
10 section (a)(2)(B), if the Secretary determines that
11 the person has provided incorrect information as to
12 the country of origin of any such good.

13 (c) ACTION ON COMPLETION OF A VERIFICATION.—
14 On completion of a verification under subsection (a), the
15 President may direct the Secretary to take appropriate ac-
16 tion described in subsection (d) until such time as the Sec-
17 retary receives information sufficient to make the deter-
18 mination under subsection (a)(2) or until such earlier date
19 as the President may direct.

20 (d) APPROPRIATE ACTION DESCRIBED.—Appro-
21 priate action under subsection (c) includes—

22 (1) denial of preferential tariff treatment under
23 the Agreement with respect to—

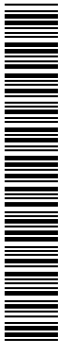
24 (A) any textile or apparel good exported or
25 produced by the person that is the subject of a



1 verification under subsection (a)(1) regarding
2 compliance described in subsection (a)(2)(A), if
3 the Secretary determines there is insufficient
4 information to support, or that the person has
5 provided incorrect information to support, any
6 claim for preferential tariff treatment that has
7 been made with respect to any such good; or

8 (B) the textile or apparel good for which a
9 claim of preferential tariff treatment has been
10 made that is the subject of a verification under
11 subsection (a)(1) regarding a claim described in
12 subsection (a)(2)(B), if the Secretary deter-
13 mines there is insufficient information to sup-
14 port, or that a person has provided incorrect in-
15 formation to support, that claim; and

16 (2) denial of entry into the United States of
17 any textile or apparel good exported or produced by
18 the person that is the subject of a verification under
19 subsection (a)(1) regarding compliance described in
20 subsection (a)(2)(A) or a claim described in sub-
21 section (a)(2)(B), if the Secretary determines there
22 is insufficient information to determine, or that the
23 person has provided incorrect information as to, the
24 country of origin of any such good.



1 (e) PUBLICATION OF NAME OF PERSON.—The Sec-
2 retary may publish the name of any person that the Sec-
3 retary has determined—

4 (1) is engaged in intentional circumvention of
5 applicable laws, regulations, or procedures affecting
6 trade in textile or apparel goods; or

7 (2) has failed to demonstrate that it produces,
8 or is capable of producing, textile or apparel goods.

9 **SEC. 210. REGULATIONS.**

10 The Secretary of the Treasury shall prescribe such
11 regulations as may be necessary to carry out—

12 (1) subsections (a) through (n) of section 203;

13 (2) the amendment made by section 204; and

14 (3) any proclamation issued under section
15 203(o).

16 **TITLE III—RELIEF FROM**
17 **IMPORTS**

18 **SEC. 301. DEFINITIONS.**

19 In this title:

20 (1) CAFTA–DR ARTICLE.—The term
21 “CAFTA–DR article” means an article that quali-
22 fies as an originating good under section 203(b).

23 (2) CAFTA–DR TEXTILE OR APPAREL ARTI-
24 CLE.—The term “CAFTA–DR textile or apparel ar-



1 ticle” means a textile or apparel good (as defined in
2 section 3(5)) that is a CAFTA–DR article.

3 (3) DE MINIMIS SUPPLYING COUNTRY.—

4 (A) Subject to subparagraph (B), the term
5 “de minimis supplying country” means a
6 CAFTA–DR country whose share of imports of
7 the relevant CAFTA–DR article into the United
8 States does not exceed 3 percent of the aggre-
9 gate volume of imports of the relevant CAFTA–
10 DR article in the most recent 12-month period
11 for which data are available that precedes the
12 filing of the petition under section 311(a).

13 (B) A CAFTA–DR country shall not be
14 considered to be a de minimis supplying country
15 if the aggregate share of imports of the relevant
16 CAFTA–DR article into the United States of
17 all CAFTA–DR countries that satisfy the con-
18 ditions of subparagraph (A) exceeds 9 percent
19 of the aggregate volume of imports of the rel-
20 evant CAFTA–DR article during the applicable
21 12-month period.

22 (4) RELEVANT CAFTA–DR ARTICLE.—The term
23 “relevant CAFTA–DR article” means the CAFTA–
24 DR article with respect to which a petition has been
25 filed under section 311(a).

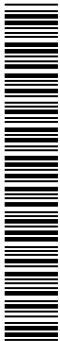


1 **Subtitle A—Relief From Imports**
2 **Benefiting From the Agreement**

3 **SEC. 311. COMMENCING OF ACTION FOR RELIEF.**

4 (a) FILING OF PETITION.—A petition requesting ac-
5 tion under this subtitle for the purpose of adjusting to
6 the obligations of the United States under the Agreement
7 may be filed with the Commission by an entity, including
8 a trade association, firm, certified or recognized union, or
9 group of workers, that is representative of an industry.
10 The Commission shall transmit a copy of any petition filed
11 under this subsection to the United States Trade Rep-
12 resentative.

13 (b) INVESTIGATION AND DETERMINATION.—Upon
14 the filing of a petition under subsection (a), the Commis-
15 sion, unless subsection (d) applies, shall promptly initiate
16 an investigation to determine whether, as a result of the
17 reduction or elimination of a duty provided for under the
18 Agreement, a CAFTA–DR article is being imported into
19 the United States in such increased quantities, in absolute
20 terms or relative to domestic production, and under such
21 conditions that imports of the CAFTA–DR article con-
22 stitute a substantial cause of serious injury or threat
23 thereof to the domestic industry producing an article that
24 is like, or directly competitive with, the imported article.



1 (c) APPLICABLE PROVISIONS.—The following provi-
2 sions of section 202 of the Trade Act of 1974 (19 U.S.C.
3 2252) apply with respect to any investigation initiated
4 under subsection (b):

5 (1) Paragraphs (1)(B) and (3) of subsection
6 (b).

7 (2) Subsection (c).

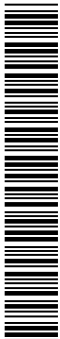
8 (3) Subsection (i).

9 (d) ARTICLES EXEMPT FROM INVESTIGATION.—No
10 investigation may be initiated under this section with re-
11 spect to any CAFTA–DR article if, after the date that
12 the Agreement enters into force, import relief has been
13 provided with respect to that CAFTA–DR article under
14 this subtitle.

15 **SEC. 312. COMMISSION ACTION ON PETITION.**

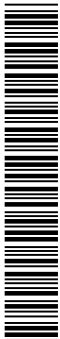
16 (a) DETERMINATION.—Not later than 120 days after
17 the date on which an investigation is initiated under sec-
18 tion 311(b) with respect to a petition, the Commission
19 shall make the determination required under that section.
20 At that time, the Commission shall also determine whether
21 any CAFTA–DR country is a de minimis supplying coun-
22 try.

23 (b) APPLICABLE PROVISIONS.—For purposes of this
24 subtitle, the provisions of paragraphs (1), (2), and (3) of
25 section 330(d) of the Tariff Act of 1930 (19 U.S.C.



1 1330(d) (1), (2), and (3)) shall be applied with respect
2 to determinations and findings made under this section
3 as if such determinations and findings were made under
4 section 202 of the Trade Act of 1974 (19 U.S.C. 2252).

5 (c) ADDITIONAL FINDING AND RECOMMENDATION IF
6 DETERMINATION AFFIRMATIVE.—If the determination
7 made by the Commission under subsection (a) with respect
8 to imports of an article is affirmative, or if the President
9 may consider a determination of the Commission to be an
10 affirmative determination as provided for under paragraph
11 (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C.
12 1330(d)), the Commission shall find, and recommend to
13 the President in the report required under subsection (d),
14 the amount of import relief that is necessary to remedy
15 or prevent the injury found by the Commission in the de-
16 termination and to facilitate the efforts of the domestic
17 industry to make a positive adjustment to import competi-
18 tion. The import relief recommended by the Commission
19 under this subsection shall be limited to the relief de-
20 scribed in section 313(c). Only those members of the Com-
21 mission who voted in the affirmative under subsection (a)
22 are eligible to vote on the proposed action to remedy or
23 prevent the injury found by the Commission. Members of
24 the Commission who did not vote in the affirmative may
25 submit, in the report required under subsection (d), sepa-



1 rate views regarding what action, if any, should be taken
2 to remedy or prevent the injury.

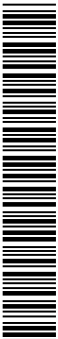
3 (d) REPORT TO PRESIDENT.—Not later than the
4 date that is 30 days after the date on which a determina-
5 tion is made under subsection (a) with respect to an inves-
6 tigation, the Commission shall submit to the President a
7 report that includes—

8 (1) the determination made under subsection
9 (a) and an explanation of the basis for the deter-
10 mination;

11 (2) if the determination under subsection (a) is
12 affirmative, any findings and recommendations for
13 import relief made under subsection (c) and an ex-
14 planation of the basis for each recommendation; and

15 (3) any dissenting or separate views by mem-
16 bers of the Commission regarding the determination
17 and recommendation referred to in paragraphs (1)
18 and (2).

19 (e) PUBLIC NOTICE.—Upon submitting a report to
20 the President under subsection (d), the Commission shall
21 promptly make public such report (with the exception of
22 information which the Commission determines to be con-
23 fidential) and shall cause a summary thereof to be pub-
24 lished in the Federal Register.



1 **SEC. 313. PROVISION OF RELIEF.**

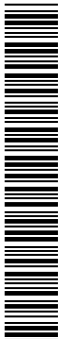
2 (a) IN GENERAL.—Not later than the date that is
3 30 days after the date on which the President receives the
4 report of the Commission in which the Commission's de-
5 termination under section 312(a) is affirmative, or which
6 contains a determination under section 312(a) that the
7 President considers to be affirmative under paragraph (1)
8 of section 330(d) of the Tariff Act of 1930 (19 U.S.C.
9 1330(d)(1)), the President, subject to subsection (b), shall
10 provide relief from imports of the article that is the subject
11 of such determination to the extent that the President de-
12 termines necessary to remedy or prevent the injury found
13 by the Commission and to facilitate the efforts of the do-
14 mestic industry to make a positive adjustment to import
15 competition.

16 (b) EXCEPTION.—The President is not required to
17 provide import relief under this section if the President
18 determines that the provision of the import relief will not
19 provide greater economic and social benefits than costs.

20 (c) NATURE OF RELIEF.—

21 (1) IN GENERAL.—The import relief that the
22 President is authorized to provide under this section
23 with respect to imports of an article is as follows:

24 (A) The suspension of any further reduc-
25 tion provided for under Annex 3.3 of the Agree-
26 ment in the duty imposed on such article.



1 (B) An increase in the rate of duty im-
2 posed on such article to a level that does not
3 exceed the lesser of—

4 (i) the column 1 general rate of duty
5 imposed under the HTS on like articles at
6 the time the import relief is provided; or

7 (ii) the column 1 general rate of duty
8 imposed under the HTS on like articles on
9 the day before the date on which the
10 Agreement enters into force.

11 (2) PROGRESSIVE LIBERALIZATION.—If the pe-
12 riod for which import relief is provided under this
13 section is greater than 1 year, the President shall
14 provide for the progressive liberalization (described
15 in article 8.2.3 of the Agreement) of such relief at
16 regular intervals during the period of its application.

17 (d) PERIOD OF RELIEF.—

18 (1) IN GENERAL.—Subject to paragraph (2),
19 any import relief that the President is authorized to
20 provide under this section may not, in the aggregate,
21 be in effect for more than 4 years.

22 (2) EXTENSION.—

23 (A) IN GENERAL.—If the initial period for
24 any import relief provided under this section is
25 less than 4 years, the President, after receiving

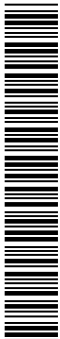


1 a determination from the Commission under
2 subparagraph (B) that is affirmative, or which
3 the President considers to be affirmative under
4 paragraph (1) of section 330(d) of the Tariff
5 Act of 1930 (19 U.S.C. 1330(d)(1)), may ex-
6 tend the effective period of any import relief
7 provided under this section, subject to the limi-
8 tation under paragraph (1), if the President de-
9 termines that—

10 (i) the import relief continues to be
11 necessary to remedy or prevent serious in-
12 jury and to facilitate adjustment by the do-
13 mestic industry to import competition; and

14 (ii) there is evidence that the industry
15 is making a positive adjustment to import
16 competition.

17 (B) ACTION BY COMMISSION.—(i) Upon a
18 petition on behalf of the industry concerned
19 that is filed with the Commission not earlier
20 than the date which is 9 months, and not later
21 than the date which is 6 months, before the
22 date on which any action taken under sub-
23 section (a) is to terminate, the Commission
24 shall conduct an investigation to determine
25 whether action under this section continues to



1 be necessary to remedy or prevent serious in-
2 jury and whether there is evidence that the in-
3 dustry is making a positive adjustment to im-
4 port competition.

5 (ii) The Commission shall publish notice of
6 the commencement of any proceeding under
7 this subparagraph in the Federal Register and
8 shall, within a reasonable time thereafter, hold
9 a public hearing at which the Commission shall
10 afford interested parties and consumers an op-
11 portunity to be present, to present evidence,
12 and to respond to the presentations of other
13 parties and consumers, and otherwise to be
14 heard.

15 (iii) The Commission shall transmit to the
16 President a report on its investigation and de-
17 termination under this subparagraph not later
18 than 60 days before the action under subsection
19 (a) is to terminate, unless the President speci-
20 fies a different date.

21 (e) RATE AFTER TERMINATION OF IMPORT RE-
22 LIEF.—When import relief under this section is termi-
23 nated with respect to an article—

24 (1) the rate of duty on that article after such
25 termination and on or before December 31 of the



1 year in which such termination occurs shall be the
2 rate that, according to the Schedule of the United
3 States to Annex 3.3 of the Agreement would have
4 been in effect 1 year after the provision of relief
5 under subsection (a); and

6 (2) the rate of duty for that article after De-
7 cember 31 of the year in which termination occurs
8 shall be, at the discretion of the President, either—

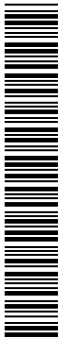
9 (A) the applicable rate of duty for that ar-
10 ticle set out in the Schedule of the United
11 States to Annex 3.3 of the Agreement; or

12 (B) the rate of duty resulting from the
13 elimination of the tariff in equal annual stages
14 ending on the date set out in the Schedule of
15 the United States to Annex 3.3 of the Agree-
16 ment for the elimination of the tariff.

17 (f) ARTICLES EXEMPT FROM RELIEF.—No import
18 relief may be provided under this section on—

19 (1) any article subject to import relief under
20 chapter 1 of title II of the Trade Act of 1974 (19
21 U.S.C. 2251 et seq.); or

22 (2) imports of a CAFTA–DR article of a
23 CAFTA–DR country that is a de minimis supplying
24 country with respect to that article.



1 **SEC. 314. TERMINATION OF RELIEF AUTHORITY.**

2 (a) GENERAL RULE.—Subject to subsection (b), no
3 import relief may be provided under this subtitle after the
4 date that is 10 years after the date on which the Agree-
5 ment enters into force.

6 (b) EXCEPTION.—If an article for which relief is pro-
7 vided under this subtitle is an article for which the period
8 for tariff elimination, set out in the Schedule of the United
9 States to Annex 3.3 of the Agreement, is greater than 10
10 years, no relief under this subtitle may be provided for
11 that article after the date on which that period ends.

12 **SEC. 315. COMPENSATION AUTHORITY.**

13 For purposes of section 123 of the Trade Act of 1974
14 (19 U.S.C. 2133), any import relief provided by the Presi-
15 dent under section 313 shall be treated as action taken
16 under chapter 1 of title II of such Act.

17 **SEC. 316. CONFIDENTIAL BUSINESS INFORMATION.**

18 Section 202(a)(8) of the Trade Act of 1974 (19
19 U.S.C. 2252(a)(8)) is amended in the first sentence—

20 (1) by striking “and”; and

21 (2) by inserting before the period at the end “,
22 and title III of the Dominican Republic-Central
23 America-United States Free Trade Agreement Im-
24 plementation Act”.



1 **Subtitle B—Textile and Apparel**
2 **Safeguard Measures**

3 **SEC. 321. COMMENCEMENT OF ACTION FOR RELIEF.**

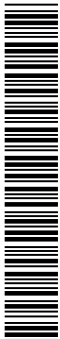
4 (a) IN GENERAL.—A request under this subtitle for
5 the purpose of adjusting to the obligations of the United
6 States under the Agreement may be filed with the Presi-
7 dent by an interested party. Upon the filing of a request,
8 the President shall review the request to determine, from
9 information presented in the request, whether to com-
10 mence consideration of the request.

11 (b) PUBLICATION OF REQUEST.—If the President de-
12 termines that the request under subsection (a) provides
13 the information necessary for the request to be considered,
14 the President shall cause to be published in the Federal
15 Register a notice of commencement of consideration of the
16 request, and notice seeking public comments regarding the
17 request. The notice shall include a summary of the request
18 and the dates by which comments and rebuttals must be
19 received.

20 **SEC. 322. DETERMINATION AND PROVISION OF RELIEF.**

21 (a) DETERMINATION.—

22 (1) IN GENERAL.—If a positive determination is
23 made under section 321(b), the President shall de-
24 termine whether, as a result of the elimination of a
25 duty under the Agreement, a CAFTA–DR textile or



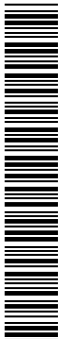
1 apparel article of a specified CAFTA–DR country is
2 being imported into the United States in such in-
3 creased quantities, in absolute terms or relative to
4 the domestic market for that article, and under such
5 conditions as to cause serious damage, or actual
6 threat thereof, to a domestic industry producing an
7 article that is like, or directly competitive with, the
8 imported article.

9 (2) SERIOUS DAMAGE.—In making a deter-
10 mination under paragraph (1), the President—

11 (A) shall examine the effect of increased
12 imports on the domestic industry, as reflected
13 in changes in such relevant economic factors as
14 output, productivity, utilization of capacity, in-
15 ventories, market share, exports, wages, em-
16 ployment, domestic prices, profits, and invest-
17 ment, none of which is necessarily decisive; and

18 (B) shall not consider changes in tech-
19 nology or consumer preference as factors sup-
20 porting a determination of serious damage or
21 actual threat thereof.

22 (3) DEADLINE FOR DETERMINATION.—The
23 President shall make the determination under para-
24 graph (1) no later than 30 days after the completion



1 of any consultations held pursuant to article 3.23.4
2 of the Agreement.

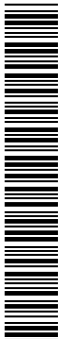
3 (b) PROVISION OF RELIEF.—

4 (1) IN GENERAL.—If a determination under
5 subsection (a) is affirmative, the President may pro-
6 vide relief from imports of the article that is the
7 subject of such determination, as provided in para-
8 graph (2), to the extent that the President deter-
9 mines necessary to remedy or prevent the serious
10 damage and to facilitate adjustment by the domestic
11 industry.

12 (2) NATURE OF RELIEF.—The relief that the
13 President is authorized to provide under this sub-
14 section with respect to imports of an article is an in-
15 crease in the rate of duty imposed on the article to
16 a level that does not exceed the lesser of—

17 (A) the column 1 general rate of duty im-
18 posed under the HTS on like articles at the
19 time the import relief is provided; or

20 (B) the column 1 general rate of duty im-
21 posed under the HTS on like articles on the
22 day before the date on which the Agreement en-
23 ters into force.



1 **SEC. 323. PERIOD OF RELIEF.**

2 (a) IN GENERAL.—Subject to subsection (b), any im-
3 port relief that the President provides under subsection
4 (b) of section 322 may not, in the aggregate, be in effect
5 for more than 3 years.

6 (b) EXTENSION.—If the initial period for any import
7 relief provided under section 322 is less than 3 years, the
8 President may extend the effective period of any import
9 relief provided under that section, subject to the limitation
10 set forth in subsection (a), if the President determines
11 that—

12 (1) the import relief continues to be necessary
13 to remedy or prevent serious damage and to facili-
14 tate adjustment by the domestic industry to import
15 competition; and

16 (2) there is evidence that the industry is mak-
17 ing a positive adjustment to import competition.

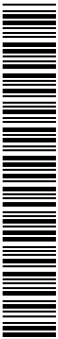
18 **SEC. 324. ARTICLES EXEMPT FROM RELIEF.**

19 The President may not provide import relief under
20 this subtitle with respect to any article if—

21 (1) import relief previously has been provided
22 under this subtitle with respect to that article; or

23 (2) the article is subject to import relief
24 under—

25 (A) subtitle A; or



1 (B) chapter 1 of title II of the Trade Act
2 of 1974.

3 **SEC. 325. RATE AFTER TERMINATION OF IMPORT RELIEF.**

4 When import relief under this subtitle is terminated
5 with respect to an article, the rate of duty on that article
6 shall be the rate that would have been in effect, but for
7 the provision of such relief.

8 **SEC. 326. TERMINATION OF RELIEF AUTHORITY.**

9 No import relief may be provided under this subtitle
10 with respect to any article after the date that is 5 years
11 after the date on which the Agreement enters into force.

12 **SEC. 327. COMPENSATION AUTHORITY.**

13 For purposes of section 123 of the Trade Act of 1974
14 (19 U.S.C. 2133), any import relief provided by the Presi-
15 dent under this subtitle shall be treated as action taken
16 under chapter 1 of title II of that Act.

17 **SEC. 328. CONFIDENTIAL BUSINESS INFORMATION.**

18 The President may not release information received
19 in connection with a review under this subtitle which the
20 President considers to be confidential business informa-
21 tion unless the party submitting the confidential business
22 information had notice, at the time of submission, that
23 such information would be released by the President, or
24 such party subsequently consents to the release of the in-
25 formation. To the extent a party submits confidential busi-



1 ness information, it shall also provide a nonconfidential
2 version of the information in which the confidential busi-
3 ness information is summarized or, if necessary, deleted.

4 **Subtitle C—Cases Under Title II of**
5 **the Trade Act of 1974**

6 **SEC. 331. FINDINGS AND ACTION ON GOODS OF CAFTA-DR**
7 **COUNTRIES.**

8 (a) EFFECT OF IMPORTS.—If, in any investigation
9 initiated under chapter 1 of title II of the Trade Act of
10 1974, the Commission makes an affirmative determination
11 (or a determination which the President may treat as an
12 affirmative determination under such chapter by reason
13 of section 330(d) of the Tariff Act of 1930), the Commis-
14 sion shall also find (and report to the President at the
15 time such injury determination is submitted to the Presi-
16 dent) whether imports of the article of each CAFTA-DR
17 country that qualify as originating goods under section
18 203(b) are a substantial cause of serious injury or threat
19 thereof.

20 (b) PRESIDENTIAL DETERMINATION REGARDING IM-
21 PORTS OF CAFTA-DR COUNTRIES.—In determining the
22 nature and extent of action to be taken under chapter 1
23 of title II of the Trade Act of 1974, the President may
24 exclude from the action goods of a CAFTA-DR country



1 with respect to which the Commission has made a negative
2 finding under subsection (a).

3 **TITLE IV—MISCELLANEOUS**

4 **SEC. 401. ELIGIBLE PRODUCTS.**

5 Section 308(4)(A) of the Trade Agreements Act of
6 1979 (19 U.S.C. 2518(4)(A)) is amended—

7 (1) by striking “or” at the end of clause (ii);

8 (2) by striking the period at the end of clause

9 (iii) and inserting “; or”; and

10 (3) by adding at the end the following new
11 clause:

12 “(iv) a party to the Dominican Re-
13 public-Central America-United States Free
14 Trade Agreement, a product or service of
15 that country or instrumentality which is
16 covered under that Agreement for procure-
17 ment by the United States.”.

18 **SEC. 402. MODIFICATIONS TO THE CARIBBEAN BASIN ECO- 19 NOMIC RECOVERY ACT.**

20 (a) **FORMER BENEFICIARY COUNTRIES.**—Section
21 212(a)(1) of the Caribbean Basin Economic Recovery Act
22 (19 U.S.C. 2702(a)(1)) is amended by adding at the end
23 the following new subparagraph:

24 “(F) The term ‘former beneficiary country’
25 means a country that ceases to be designated as



1 a beneficiary country under this title because
2 the country has become a party to a free trade
3 agreement with the United States.”.

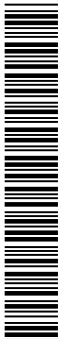
4 (b) COUNTRIES ELIGIBLE FOR DESIGNATION AS
5 BENEFICIARY COUNTRIES.—Section 212(b) of the Carib-
6 bean Basin Economic Recovery Act (19 U.S.C. 2702(b))
7 is amended by striking from the list of countries eligible
8 for designation as beneficiary countries—

9 (1) “Costa Rica”, effective on the date the
10 President terminates the designation of Costa Rica
11 as a beneficiary country pursuant to section
12 201(a)(3);

13 (2) “Dominican Republic”, effective on the date
14 the President terminates the designation of the Do-
15 minican Republic as a beneficiary country pursuant
16 to section 201(a)(3);

17 (3) “El Salvador”, effective on the date the
18 President terminates the designation of El Salvador
19 as a beneficiary country pursuant to section
20 201(a)(3);

21 (4) “Guatemala”, effective on the date the
22 President terminates the designation of Guatemala
23 as a beneficiary country pursuant to section
24 201(a)(3);



1 (5) “Honduras”, effective on the date the Presi-
2 dent terminates the designation of Honduras as a
3 beneficiary country pursuant to section 201(a)(3);
4 and

5 (6) “Nicaragua”, effective on the date the
6 President terminates the designation of Nicaragua
7 as a beneficiary country pursuant to section
8 201(a)(3).

9 (c) MATERIALS OF, OR PROCESSING IN, FORMER
10 BENEFICIARY COUNTRIES.—Section 213(a)(1) of the Car-
11 ibbean Basin Economic Recovery Act (19 U.S.C.
12 2703(a)(1)) is amended by striking “the Commonwealth
13 of Puerto Rico and the United States Virgin Islands” and
14 inserting “the Commonwealth of Puerto Rico, the United
15 States Virgin Islands, and any former beneficiary coun-
16 try”.

17 (d) DEFINITIONS AND SPECIAL RULES.—Section
18 213(b)(5) of the Caribbean Basin Economic Recovery Act
19 (19 U.S.C. 2703(b)(5)) is amended by adding at the end
20 the following new subparagraphs:

21 “(G) FORMER CBTPA BENEFICIARY COUN-
22 TRY.—The term ‘former CBTPA beneficiary
23 country’ means a country that ceases to be des-
24 ignated as a CBTPA beneficiary country under
25 this title because the country has become a



1 party to a free trade agreement with the United
2 States.

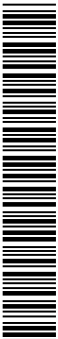
3 “(H) ARTICLES THAT UNDERGO PRODUC-
4 TION IN A CBTPA BENEFICIARY COUNTRY AND
5 A FORMER CBTPA BENEFICIARY COUNTRY.—(i)
6 For purposes of determining the eligibility of an
7 article for preferential treatment under para-
8 graph (2) or (3), references in either such para-
9 graph, and in subparagraph (C) of this para-
10 graph to—

11 “(i) a ‘CBTPA beneficiary country’
12 shall be considered to include any former
13 CPTPA beneficiary country, and

14 “(ii) ‘CBTPA beneficiary countries’
15 shall be considered to include former
16 CBTPA beneficiary countries,

17 if the article, or a good used in the production
18 of the article, undergoes production in a
19 CBTPA beneficiary country.

20 “(ii) An article that is eligible for pref-
21 erential treatment under clause (i) shall not be
22 ineligible for such treatment because the article
23 is imported directly from a former CBTPA ben-
24 eficiary country.



1 “(iii) Notwithstanding clauses (i) and (ii),
2 an article that is a good of a former CBTPA
3 beneficiary country for purposes of section 304
4 of the Tariff Act of 1930 (19 U.S.C. 1304) or
5 section 334 of the Uruguay Round Agreements
6 Act (19 U.S.C. 3592), as the case may be, shall
7 not be eligible for preferential treatment under
8 paragraph (2) or (3), unless—

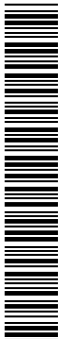
9 “(I) it is an article that is a good of
10 the Dominican Republic under either such
11 section 304 or 334; and

12 “(II) the article, or a good used in the
13 production of the article, undergoes pro-
14 duction in Haiti.”.

15 **SEC. 403. PERIODIC REPORTS AND MEETINGS ON LABOR**
16 **OBLIGATIONS AND LABOR CAPACITY-BUILD-**
17 **ING PROVISIONS.**

18 (a) REPORTS TO CONGRESS.—

19 (1) IN GENERAL.—Not later than the end of
20 the 2-year period beginning on the date the Agree-
21 ment enters into force, and not later than the end
22 of each 2-year period thereafter during the suc-
23 ceeding 14-year period, the President shall report to
24 the Congress on the progress made by the CAFTA-
25 DR countries in—



1 (A) implementing article 16 and Annex
2 16.5 of the Agreement; and

3 (B) implementing the White Paper.

4 (2) WHITE PAPER.—In this section, the term
5 “White Paper” means the report of April 2005 of
6 the Working Group of the Vice Ministers Respon-
7 sible for Trade and Labor in the Countries of Cen-
8 tral America and the Dominican Republic entitled
9 “The Labor Dimension in Central America and the
10 Dominican Republic - Building on Progress:
11 Strengthening Compliance and Enhancing Capac-
12 ity”.

13 (3) CONTENTS OF REPORTS.—Each report
14 under paragraph (1) shall include the following:

15 (A) A description of the progress made by
16 the Labor Cooperation and Capacity Building
17 Mechanism established by article 16.5 and
18 Annex 16.5 of the Agreement, and the Labor
19 Affairs Council established by article 16.4 of
20 the Agreement, in achieving their stated goals,
21 including a description of the capacity-building
22 projects undertaken, funds received, and results
23 achieved, in each CAFTA-DR country.



1 (B) Recommendations on how the United
2 States can facilitate full implementation of the
3 recommendations contained in the White Paper.

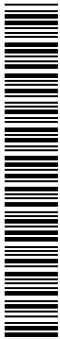
4 (C) A description of the work done by the
5 CAFTA-DR countries with the International
6 Labor Organization to implement the rec-
7 ommendations contained in the White Paper,
8 and the efforts of the CAFTA-DR countries
9 with international organizations, through the
10 Labor Cooperation and Capacity Building
11 Mechanism referred to in subparagraph (A), to
12 advance common commitments regarding labor
13 matters.

14 (D) A summary of public comments re-
15 ceived on—

16 (i) capacity-building efforts by the
17 United States required by article 16.5 and
18 Annex 16.5 of the Agreement;

19 (ii) efforts by the United States to fa-
20 cilitate full implementation of the White
21 Paper recommendations; and

22 (iii) the efforts made by the CAFTA-
23 DR countries to comply with article 16 and
24 Annex 16.5 of the Agreement and to fully
25 implement the White Paper recommenda-



1 tions, including the progress made by the
2 CAFTA-DR countries in affording to
3 workers internationally-recognized worker
4 rights through improved capacity.

5 (4) SOLICITATION OF PUBLIC COMMENTS.—The
6 President establish a mechanism to solicit public
7 comments for purposes of paragraph (3)(D).

8 (b) PERIODIC MEETINGS OF SECRETARY OF LABOR
9 WITH LABOR MINISTERS OF CAFTA-DR COUNTRIES.—

10 (1) PERIODIC MEETINGS.—The Secretary of
11 Labor shall take the necessary steps to meet periodi-
12 cally with the labor ministers of the CAFTA-DR
13 countries to discuss—

14 (A) the operation of the labor provisions of
15 the Agreement;

16 (B) progress on the commitments made by
17 the CAFTA-DR countries to implement the rec-
18 ommendations contained in the White Paper;

19 (C) the work of the International Labor
20 Organization in the CAFTA-DR countries, and
21 other cooperative efforts, to afford to workers
22 internationally-recognized worker rights; and

23 (D) such other matters as the Secretary of
24 Labor and the labor ministers consider appro-
25 priate.



1 (2) INCLUSION IN BIENNIAL REPORTS.—The
2 President shall include in each report under sub-
3 section (a) summaries of the meetings held pursuant
4 to paragraph (1).

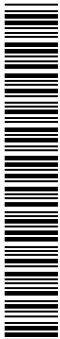
5 **SEC. 404. IMPACT ON TRADE IN SERVICES.**

6 (a) FINDINGS.—The Congress finds the following:

7 (1) Services liberalization in the Agreement
8 stands to bring new benefits and access by United
9 States businesses to markets in the CAFTA-DR
10 countries.

11 (2) At the same time, because the Agreement
12 requires no changes to United States laws with re-
13 spect to services, no significant new access to the
14 United States market is provided. United States
15 businesses and workers in the services sector lead
16 the world in exporting services and have a substan-
17 tial amount to gain by opening up restricted foreign
18 markets, which will expand opportunities for cre-
19 ating United States jobs and increasing wages for
20 United States workers.

21 (3) Adjustments to the trade adjustment assist-
22 ance (TAA) program to include services should be
23 tailored to address the real impact of the Agreement
24 on United States services workers and businesses,
25 rather than applying a formula that has been used



1 in other sectors, without considering how the pro-
2 gram would have the most beneficial impact for
3 United States workers and taxpayers.

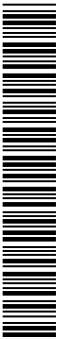
4 (b) ANALYSIS OF IMPACT OF OPENING TRADE IN
5 SERVICES.—

6 (1) ANALYSIS.—Not later than 1 year after the
7 date the Agreement enters into force, the President
8 shall submit to the Congress an analysis of the im-
9 pact that the Agreement has had on United States
10 services businesses and workers.

11 (2) OPPORTUNITY FOR COMMENT.—The Presi-
12 dent shall provide an opportunity for the United
13 States services sector to submit comments relevant
14 to the analysis prepared under paragraph (1).

15 (3) CONTENTS OF ANALYSIS.—The analysis
16 under paragraph (1) shall include an examination of
17 whether the Agreement has caused a net loss of
18 services jobs or a negative economic impact.

19 (c) RECOMMENDATIONS ON MODIFICATIONS TO THE
20 TAA PROGRAM.—If, in the analysis prepared under sub-
21 section (b), the President determines that the United
22 States has suffered a net loss in services jobs or a negative
23 economic impact due to the Agreement, then the President
24 shall submit to the Congress proposed revisions to the
25 TAA program that would most accurately and effectively



- 1 address the impact of the Agreement on the United States
- 2 services businesses and workers.

